

NOT FOR DISTRIBUTION IN THE UNITED STATES

CIRCULAR DATED 22 JUNE 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares ("**Shares**") in the capital of KrisEnergy Ltd. (the "**Company**"), please forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Depositor Proxy Form or Shareholder Proxy Form (as the case may be) immediately to the purchaser or transferee or to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee, subject to the distribution restrictions set out in this Circular.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Rights Shares (as defined herein) on the Main Board of the SGX-ST, subject to certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after the certificates for the Rights Shares have been issued and the notification letters from The Central Depository (Pte) Limited ("**CDP**") have been despatched. The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained and opinions expressed in this Circular. Approval in-principle granted by the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, the Company and/or its subsidiaries.

This Circular is not for distribution, directly or indirectly, in or into the United States. This Circular is not an offer of securities for sale in the United States. The "nil-paid" Rights (as defined herein) and the Rights Shares are being offered and sold (i) outside the United States in accordance with Regulation S under the U.S. Securities Act ("**Regulation S**") to persons who are not, and are not acting for the account or benefit of, U.S. persons, and (ii) within the United States to persons who are Eligible U.S. Investors (as defined herein) and pursuant to an exemption from registration under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The "nil-paid" Rights and the Rights Shares have not been and will not be registered under the U.S. Securities Act, and may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. person (as defined under Regulation S) by pre-arrangement or otherwise.

The "nil-paid" Rights and the Rights Shares in the Rights Issue have not been, and will not be, registered under the U.S. Securities Act, and the Company will not be registered under the U.S. Investment Company Act (as defined herein).

The "nil-paid" Rights and the Rights Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue or the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

This Circular shall not constitute an offer to sell or a solicitation of an offer to buy shares or other securities of the Company nor shall there be any sale of any shares or other securities of the Company in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This Circular is issued to Shareholders (as defined herein) solely for the purpose of convening the EGM (as defined herein) and seeking their approval for the resolutions to be considered at such meeting. Shareholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The initial public offering of the Company was sponsored by CLSA Singapore Pte Ltd and Merrill Lynch (Singapore) Pte. Ltd. (the "**Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters**"). The Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters assume no responsibility for the contents of this Circular.

The distribution of this Circular and/or the transfer of the "nil-paid" Rights and the Rights Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



KRISENERGY LTD.

(Company Registration Number: 231666)

(Incorporated in the Cayman Islands on 5 October 2009)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

- (1) THE PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM US\$2,500,000 DIVIDED INTO 2,000,000,000 SHARES OF A NOMINAL OR PAR VALUE OF US\$0.00125 EACH TO US\$3,750,000 DIVIDED INTO 3,000,000,000 SHARES OF A NOMINAL OR PAR VALUE OF US\$0.00125 EACH;**
- (2) THE PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE (THE "RIGHTS ISSUE") OF 440,144,838 NEW SHARES (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.385 FOR EACH RIGHTS SHARE, ON THE BASIS OF FORTY-TWO (42) RIGHTS SHARES FOR EVERY ONE HUNDRED (100) EXISTING SHARES HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- (3) THE PROPOSED PAYMENT OF THE SUB-UNDERWRITING COMMISSION (AS DEFINED HEREIN) BY THE LEAD MANAGER AND UNDERWRITER (AS DEFINED HEREIN) TO DEVAN INTERNATIONAL LIMITED FOR THE SUB-UNDERWRITING COMMITMENT (AS DEFINED HEREIN) IN CONNECTION WITH THE RIGHTS ISSUE; AND**
- (4) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHT OF THE INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) TO RECEIVE A MANDATORY GENERAL OFFER FROM THE DEVAN HOLDING GROUP (AS DEFINED HEREIN) FOR THE REMAINING SHARES NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP (AS DEFINED HEREIN).**

*Independent Financial Adviser to the Independent Directors
of the Company in respect of the Whitewash Resolution*



SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200401542N)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 3 July 2015 at 10:00 a.m.
Date and time of EGM	: 7 July 2015 at 10:00 a.m.
Place of EGM	: Phoenix 1 Level 6, Novotel Singapore Clarke Quay 177A River Valley Road Singapore 179031

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

"1Q"	:	Three months ended 31 March
"2014 Revolving Credit Facility"	:	The US\$100.0 million revolving credit facility entered into between KrisEnergy (Asia) Ltd, the Company's wholly-owned subsidiary, as borrower and The Hongkong and Shanghai Banking Corporation Limited, as lender, which was subsequently increased to a US\$122.0 million revolving credit facility on 30 April 2015
"2016 Notes"	:	The US\$120.0 million 10.5 per cent. Senior Guaranteed Secured Bonds due 2016, which were fully redeemed on 30 January 2014
"2017 Notes"	:	The S\$130.0 million 6.25 per cent. notes due 2017
"2018 Notes"	:	The S\$200.0 million 5.75 per cent. notes due 2018
"Accredited Investor"	:	Accredited investor as defined in Rule 501 under the U.S. Securities Act
"Announcement"	:	The announcement made by the Company on 15 June 2015 relating to, <i>inter alia</i> , the Rights Issue
"ARE"	:	Application form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their Rights under the Rights Issue
"ARS"	:	Application form for Rights Shares to be issued to Purchasers in respect of their purchase of Rights traded on the SGX-ST through the book-entry (scripless) settlement system
"Articles of Association"	:	The Memorandum and Articles of Association of the Company
"Associates"	:	In the case of a company, in relation to a substantial shareholder or a controlling shareholder (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0 per cent. or more
"ATM"	:	Automated teller machine
"Bangladesh"	:	People's Republic of Bangladesh
"bbl"	:	Barrel

“Board of Directors”	:	The board of Directors of the Company as at the date of this Circular
“boe”	:	Barrels of oil equivalent
“boepd”	:	Barrels of oil equivalent per day
“Books Closure Date”	:	5:00 p.m. on 13 July 2015 (or such other time and date as the Directors may determine) being the time and date at and on which, subject to the approval of the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution being obtained at the EGM, the Register of Members of the Company will be closed to determine the Rights of the Entitled Shareholders under the Rights Issue
“bopd”	:	Barrels of oil per day
“Cambodia”	:	The Kingdom of Cambodia
“Cambodia Block A”	:	The Block A Petroleum Agreement, offshore Cambodia
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 22 June 2015 in relation to the Share Capital Resolution, the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution
“Closing Date”	:	The time and date to be determined by the Directors, being the last time and date for acceptance of and/or excess application and payment for, and (in the case of Entitled Scripholders) renunciation of and payment for, the Rights Shares under the Rights Issue
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Companies Act”	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Concert Party Group”	:	The Devan Holding Group and any other parties acting or deemed to be acting in concert with it in respect of the Shares
“contract areas”	:	A specified geographic area that is the subject of an agreement with the host government pursuant to which an operator and its partners provide financing and technical expertise to conduct exploration, development and production operations
“DDA”	:	Depreciation, depletion and amortisation

“Devan Holding Group”	:	Devan International Limited, Keppel Oil & Gas Pte. Ltd., Kepventure Pte. Ltd., Keppel Corporation Limited, each of their respective directors (together with their close relatives, related trusts and companies controlled by any of them)
“Devan Undertaking”	:	The Irrevocable Undertaking provided by Devan International Limited, details of which are set out in Section 4.3 of this Circular
“development well”	:	A well drilled to obtain production from a proven oil or gas field
“Directors”	:	The directors of the Company as at the date of this Circular
“EBITDAX”	:	Earnings before interest, tax, depreciation, amortisation, impairment and exploration expense
“EGM”	:	The extraordinary general meeting of the Company to be held at 10:00 a.m. on 7 July 2015, notice of which is set out on pages N-1 to N-5 of this Circular
“electronic application”	:	Acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of the Offer Information Statement
“Eligible U.S. Investors”	:	QIBs and Accredited Investors, each of whom are also Qualified Purchasers (a) whose identities and status have been verified by the Company and (b) who have each provided to the Company a signed investor representation letter in the form to be set out in the Offer Information Statement not later than the date of commencement of trading of “nil-paid” Rights (or such other date as may be agreed by the Company with the Lead Manager and Underwriter)
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts as at the Books Closure Date and (i) whose registered addresses with CDP are in Singapore as at the Books Closure Date; (ii) who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents; or (iii) who are Eligible U.S. Investors

“Entitled Scripholders”	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Transfer Agent valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and (i) whose registered addresses with the Company are in Singapore as at the Books Closure Date; (ii) who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Transfer Agent with addresses in Singapore for the service of notices and documents; or (iii) who are Eligible U.S. Investors
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per Share
“exploration well”	:	A well drilled to find hydrocarbons in an unproved area or to extend significantly a known oil or gas reservoir
“field”	:	An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature and/or stratigraphic condition
“Foreign Purchasers”	:	Purchasers of the “nil-paid” Rights whose registered addresses with CDP are outside Singapore at the time of purchase through the book-entry (scripless) settlement system
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided the Share Transfer Agent or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
“FR XII”	:	First Reserve Fund XII, L.P.
“FR XII-A”	:	FR XII-A Parallel Vehicle, L.P.
“FY”	:	Financial year ended 31 December
“Group”	:	The Company and its subsidiaries
“IFA” or “Independent Financial Adviser”	:	SAC Capital Private Limited, the independent financial adviser appointed to advise the Independent Directors in relation to the Whitewash Resolution
“IFA Letter”	:	The letter from the IFA to the Independent Directors in relation to the Whitewash Resolution dated 22 June 2015, reproduced in Appendix 2 of this Circular

“Independent Directors”	:	The Directors who are considered independent for the purposes of making the recommendation to the Independent Shareholders in relation to the Sub-underwriting Resolution and the Whitewash Resolution, being all the Directors, save for Loh Chin Hua and Choo Chiau Beng
“Independent Shareholders”	:	Shareholders, other than the Concert Party Group and parties not independent of the Concert Party Group, who are deemed to be independent for the purposes of voting on the Whitewash Resolution
“Indonesia”	:	The Republic of Indonesia
“IPO”	:	The Company's initial public offering and listing on the Main Board of the SGX-ST
“Irrevocable Undertakings”	:	The irrevocable undertakings dated 15 June 2015 given by the Undertaking Shareholders to the Company, details of which are set out in Section 4.3 of this Circular
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.385 for each Rights Share
“Keppel”	:	Keppel Corporation Limited
“KrisEnergy Employee Share Option Scheme”	:	The KrisEnergy Employee Share Option Scheme
“KrisEnergy Performance Share Plan”	:	The KrisEnergy Performance Share Plan
“Latest Practicable Date”	:	15 June 2015, being the latest practicable date prior to the printing of this Circular
“Lead Manager and Underwriter”	:	Merrill Lynch (Singapore) Pte. Ltd.
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“LPS”	:	Loss per Share
“Management and Underwriting Agreement”	:	The management and underwriting agreement dated 15 June 2015 entered into between the Company and the Lead Manager and Underwriter in relation to the Rights Issue, the details of which are set out in Section 4.1 of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MAS”	:	The Monetary Authority of Singapore

"mcf"	:	Thousand cubic feet
"mmbo"	:	Million barrels of oil
"mmboe"	:	Million barrels of oil equivalent
"mmcfd"	:	Million cubic feet per day
"MTN Programme"	:	The Company's S\$500 million Multicurrency Debt Issuance Programme
"NAV"	:	Net asset value
"NTA"	:	Net tangible asset
"Notice of EGM"	:	The notice of EGM set out on pages N-1 to N-5 of this Circular
"Offer Information Statement"	:	The offer information statement referred to in Section 277 of the SFA together with the PAL, the ARE, the ARS and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) to be issued by the Company and to be lodged with the MAS in connection with the Rights Issue
"Ordinary Resolution"	:	A resolution passed in accordance with the Articles of Association as such term is defined in the Articles of Association
"PAL"	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the Rights of such Entitled Scripholders under the Rights Issue
"Participating Banks"	:	The banks that will be participating in the Rights Issue by making available their ATMs to Entitled Depositors and Purchasers for acceptances of the Rights Shares and applications for excess Rights Shares, as the case may be, to be made under the Rights Issue
"per cent." or "%"	:	Per centum or percentage
"PSC"	:	Production sharing contract
"Purchaser"	:	A purchaser of the Rights traded on the SGX-ST through the book-entry (scripless) settlement system
"QIB"	:	Qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act
"Qualified Purchasers"	:	Qualified purchasers within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act

“Regulation S”	:	Regulation S under the U.S. Securities Act
“Rights”	:	Rights to subscribe for forty-two (42) Rights Shares for every one hundred (100) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Issue”	:	The proposed renounceable underwritten rights issue by the Company of 440,144,838 Rights Shares, at the Issue Price, on the basis of forty-two (42) Rights Shares for every one hundred (100) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of the Offer Information Statement
“Rights Issue Resolution”	:	The resolution proposed to approve the issue of Rights Shares pursuant to the Rights Issue, as set out in Ordinary Resolution 2 of the Notice of EGM
“Rights Shares”	:	The new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Capital Resolution”	:	The resolution proposed to approve the increase in the authorised share capital of the Company from US\$2,500,000 divided into 2,000,000,000 Shares of a nominal or par value of US\$0.00125 each to US\$3,750,000 divided into 3,000,000,000 Shares of a nominal or par value of US\$0.00125 each, as set out in Ordinary Resolution 1 of the Notice of EGM
“Share Issue Mandate”	:	The share issue mandate approved by Shareholders at the Company's annual general meeting held on 23 April 2015, set out in resolution 9 of the notice of annual general meeting issued by the Company on 8 April 2015
“Share Transfer Agent”	:	M & C Services Private Limited

“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	:	The shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“SIC Conditions”	:	Conditions imposed by the SIC to which the Whitewash Waiver is subject, details of which are set out in Section 6.4 of this Circular
“Singapore”	:	The Republic of Singapore
“Sub-underwriting Agreement”	:	The sub-underwriting agreement dated 15 June 2015 entered into between the Lead Manager and Underwriter and Devan International Limited in relation to the Rights Issue, the details of which are set out in Section 4.2 of this Circular
“Sub-underwriting Commitment”	:	The commitment provided by Devan International Limited pursuant to the Sub-underwriting Agreement, the details of which are set out in Section 4.2 of this Circular
“Sub-underwriting Commission”	:	The commission payable by the Lead Manager and Underwriter to Devan International Limited pursuant to the Sub-underwriting Agreement to be approved at the EGM, the details of which are set out in Sections 1.4 and 4.2 of this Circular
“Sub-underwriting Resolution”	:	The resolution proposed to approve the payment of the Sub-underwriting Commission by the Lead Manager and Underwriter to Devan International Limited as set out in Ordinary Resolution 3 of the Notice of EGM
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that voting share, or those voting shares, is not less than five per cent. of the total votes attached to all the voting shares in the Company
“TAC”	:	Technical assistance contract
“Thailand”	:	The Kingdom of Thailand

“Undertaken Rights Shares”	:	The 225,283,821 Rights Shares which the Undertaking Shareholders have undertaken to subscribe and pay for, or to procure the subscription and payment for, pursuant to the Irrevocable Undertakings
“Undertaking Shareholders”	:	FR XII and FR XII-A and Devan International Limited
“Underwriting Commission”	:	The commission payable by the Company to the Lead Manager and Underwriter pursuant to the Management and Underwriting Agreement, the details of which are set out in Section 1.4 of this Circular
“Underwritten Rights Shares”	:	The 214,861,017 Rights Shares (being the number of Rights Shares other than the Undertaken Rights Shares) that are underwritten by the Lead Manager and Underwriter pursuant to the Management and Underwriting Agreement, constituting approximately 48.8 per cent. of the total number of Rights Shares
“Unit Share Market”	:	The unit share market of the SGX-ST which allows trading of shares in single shares
“U.S. Investment Company Act”	:	The U.S. Investment Company Act of 1940, as amended
“U.S. Securities Act”	:	The U.S. Securities Act of 1933, as amended
“U.S.” or “United States”	:	The United States of America
“US\$” or “US dollars”	:	United States dollars
“Whitewash Resolution”	:	The resolution to be approved by way of a poll by a majority of the Independent Shareholders present and voting at the EGM to waive their rights to receive a mandatory general offer from the Devan Holding Group, pursuant to Rule 14 of the Code in relation to the Rights Issue, further details of which are set out in Section 1.5 of this Circular, as set out in Ordinary Resolution 4 of the Notice of EGM
“Whitewash Waiver”	:	The waiver granted by the SIC of the obligations of the Devan Holding Group to make a mandatory general offer pursuant to Rule 14 of the Code for the remaining Shares not already owned or controlled by the Concert Party Group, arising from the acquisition by Devan International Limited of Rights Shares pursuant to the Devan Undertaking and the Sub-underwriting Agreement, subject to the satisfaction of the SIC Conditions, details of which are set out in Section 6.4 of this Circular

“Working Interest” : Percentage ownership in a joint operation associated with revenue and costs. Working Interests do not take into account the terms of any royalties, government shares of production, or similar fiscal terms, and thus do not reflect net entitlement to any oil or gas produced

The terms **“Depositor”**, **“Depository”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The term **“acting in concert”** shall have the meaning ascribed to it in the Code.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual, U.S. Securities Act, U.S. Investment Company Act or the Code or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Listing Manual, U.S. Securities Act, U.S. Investment Company Act or the Code or such modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of a day or date in this Circular shall be a reference to Singapore time and dates unless otherwise stated.

Any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a website or any website directly or indirectly linked to such websites in this Circular is not incorporated by reference into this Circular and should not be relied upon.

KRISENERGY LTD.

(Company Registration Number: 231666)
(Incorporated in the Cayman Islands on 5 October 2009)

Board of Directors

John William Gervase Honeybourne
(Non-Executive Chairman)
Koh Tiong Lu John
(Lead Non-Executive Independent Director)
Keith Gordon Cameron
(Executive Director and Chief Executive Officer)
Christopher Gibson-Robinson
(Executive Director)
Richard Allan Lorentz Jr.
(Executive Director)
Brooks Michael Shughart
(Non-Executive Director)
Choo Chiau Beng
(Non-Executive Director)
Loh Chin Hua
(Non-Executive Director)
Duane Carl Radtke
(Non-Executive Independent Director)
Jeffrey Saunders MacDonald
(Non-Executive Independent Director)
Tan Ek Kia
(Non-Executive Independent Director)
Alan Rupert Nisbet
(Non-Executive Independent Director)
Keith James Pringle
(Non-Executive Independent Director)

Registered Office:

Intertrust Corporate Services
(Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman
KY1-9005
Cayman Islands

Singapore Office:

83 Clemenceau Avenue
#10-05 UE Square
Singapore 239920

22 June 2015

To: The Shareholders of KrisEnergy Ltd.

Dear Sir/Madam,

- (1) THE SHARE CAPITAL RESOLUTION;**
- (2) THE RIGHTS ISSUE RESOLUTION;**
- (3) THE SUB-UNDERWRITING RESOLUTION; AND**
- (4) THE WHITEWASH RESOLUTION.**

1. INTRODUCTION

1.1 Overview

The Company is convening the EGM on 7 July 2015 at 10:00 a.m. to seek Shareholders' approval for the following:

- (a) the proposed Share Capital Resolution (Ordinary Resolution 1);
- (b) the proposed Rights Issue Resolution (Ordinary Resolution 2);
- (c) the proposed Sub-underwriting Resolution (Ordinary Resolution 3); and
- (d) the proposed Whitewash Resolution (Ordinary Resolution 4).

1.2 Resolution 1: The Share Capital Resolution

The Company wishes to increase its authorised share capital from US\$2,500,000 divided into 2,000,000,000 Shares of a nominal or par value of US\$0.00125 each to US\$3,750,000 divided into 3,000,000,000 Shares of a nominal or par value of US\$0.00125 each.

The rationale for the proposed increase in the authorised share capital of the Company is to allow the Company to utilise the Share Issue Mandate. The completion of the Rights Issue will lead to the increase in issued and paid-up share capital of the Company to approximately US\$1,860,135.92. By increasing its authorised share capital to US\$3,750,000 divided into 3,000,000,000 Shares of a nominal or par value of US\$0.00125 each, the Company will be able to, after the completion of the Rights Issue, issue Shares under the Share Issue Mandate without the need to convene a separate extraordinary general meeting to seek approval of Shareholders for an increase in its authorised share capital in the event the issued and paid-up share capital of the Company exceeds US\$2,500,000 divided into 2,000,000,000 Shares of a nominal or par value of US\$0.00125 each.

There will not be any impact to the shareholdings of each Shareholder as the issued and paid-up share capital of the Company will not increase until such point in time when and if new Shares are issued.

The Share Capital Resolution is not conditional upon the passing of Ordinary Resolutions 2, 3 or 4.

1.3 Resolution 2: The Rights Issue Resolution (conditional upon the passing of Ordinary Resolutions 3 and 4)

On 15 June 2015, the Company announced the Rights Issue, subject to, *inter alia*, (a) the Whitewash Waiver granted by the SIC on 12 June 2015 not having been withdrawn or revoked as at the date of completion of the Rights Issue; (b) the approval in-principle from the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST which was granted on 15 June 2015, not having been withdrawn as at the date of completion of the Rights Issue; (c) the receipt of the approval of Shareholders for the Rights Issue Resolution, including the allotment and issue of the Rights Shares, at the EGM; (d) the receipt of the approval of Shareholders (save for Devan International Limited and its Associates) for the Sub-underwriting Resolution at the EGM; (e) the receipt of the approval of Independent Shareholders for the Whitewash Resolution at the EGM; and (f) the lodgement of the Offer Information Statement with the MAS.

On 12 June 2015, the SIC granted the Whitewash Waiver, subject to, *inter alia*, the satisfaction of the SIC Conditions, details of which are set out in Section 6.4 of this Circular.

On 15 June 2015, the SGX-ST granted approval in-principle for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in Section 2.3 of this Circular. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

1.4 Resolution 3: Sub-underwriting Resolution (conditional upon the passing of Ordinary Resolutions 2 and 4)

The Underwritten Rights Shares (being the number of Rights Shares other than the Undertaken Rights Shares, and constituting approximately 48.8 per cent. of the total number of Rights Shares) are underwritten by the Lead Manager and Underwriter at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement. In consideration of the Lead Manager and Underwriter's agreement to underwrite the Underwritten Rights Shares, the Company will pay to the Lead Manager and Underwriter (i) a base fee of 0.75 per cent. of the aggregate Issue Price of the Rights Shares and (ii) an underwriting commission of 1.50 per cent. of the aggregate Issue Price of the Underwritten Rights Shares (the "**Underwriting Commission**").

Devan International Limited has entered into the Sub-underwriting Agreement with the Lead Manager and Underwriter pursuant to which it has agreed, on the terms and subject to the conditions of the Sub-underwriting Agreement, to subscribe for the Underwritten Rights Shares to the extent that such Rights Shares are not successfully subscribed for under the Rights Issue (the "**Sub-underwriting Commitment**").

In consideration of the Sub-underwriting Commitment, the Lead Manager and Underwriter has agreed to pay a sub-underwriting commission to Devan International Limited of 1.50 per cent. of the aggregate Issue Price of the Underwritten Rights Shares (the "**Sub-underwriting Commission**").

As at the Latest Practicable Date, Devan International Limited held 328,536,000 Shares, representing approximately 31.3 per cent. of the total number of issued Shares of the Company and is a Substantial Shareholder. Accordingly, Paragraph 2.1 of Practice Note 8.2 of the Listing Manual requires a separate Shareholder resolution for the payment of the Sub-underwriting Commission by the Lead Manager and Underwriter to Devan International Limited.

1.5 Resolution 4: The Whitewash Resolution (conditional upon the passing of Ordinary Resolutions 2 and 3)

The fulfilment by Devan International Limited of its obligations under the Sub-underwriting Agreement may result in the Concert Party Group acquiring Rights Shares resulting in it increasing its shareholding in the Company by more than one (1.0) per cent. within a period of six (6) months. In such an event, the Devan Holding Group would incur an obligation to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code unless such obligation is waived by the SIC.

An application was made by Devan International Limited to the SIC for, *inter alia*, a waiver of the obligations of the Devan Holding Group to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code

arising from the acquisition by Devan International Limited of Rights Shares pursuant to the Devan Undertaking and the Sub-underwriting Agreement. On 12 June 2015, the SIC granted the Whitewash Waiver subject to, *inter alia*, the satisfaction of the SIC Conditions, details of which are set out in Section 6.4 of this Circular.

SAC Capital Private Limited has been appointed as the IFA to advise the Independent Directors in relation to the Whitewash Resolution. The IFA Letter, setting out the IFA's advice in full, is reproduced in Appendix 2 of this Circular.

The Independent Shareholders are requested to vote, by way of a poll, on the Whitewash Resolution as set out in the Notice of EGM on pages N-1 to N-5 of this Circular.

Independent Shareholders should note that Devan International Limited's obligation under the Sub-underwriting Agreement to fulfil the Sub-underwriting Commitment is conditional upon, *inter alia*, the Rights Issue Resolution (Ordinary Resolution 2), the Sub-underwriting Resolution (Ordinary Resolution 3) and the Whitewash Resolution (Ordinary Resolution 4) being approved. Independent Shareholders should also note that the Rights Issue Resolution (Ordinary Resolution 2), the Sub-underwriting Resolution (Ordinary Resolution 3) and the Whitewash Resolution (Ordinary Resolution 4) are each subject to and conditional upon the passing of each of the other Ordinary Resolutions (save for the Share Capital Resolution (Ordinary Resolution 1)).

1.6 THE EGM

The purpose of this Circular is to provide Shareholders with information relating to the Share Capital Resolution, the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution and to seek Shareholders' approval in respect of the same at the EGM, the notice of which is set out on pages N-1 to N-5 of this Circular.

2. THE RIGHTS ISSUE

2.1 Basis of the Rights Issue

The Rights Issue is made on a renounceable underwritten basis to Entitled Shareholders on the basis of forty-two (42) Rights Shares for every one hundred (100) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Based on the issued share capital of the Company of 1,047,963,898 Shares as at the Latest Practicable Date, 440,144,838 Rights Shares are proposed to be issued.

The Issue Price represents a discount of approximately 13.5 per cent. to the closing price of S\$0.445 per Share on the SGX-ST on 12 June 2015, being the last trading date immediately prior to the date of the Announcement, and a discount of approximately 9.9 per cent. to the theoretical ex-rights price¹ of S\$0.427 per Share.

¹ The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the closing price of S\$0.445 per Share on the SGX-ST on 12 June 2015, being the last trading date immediately prior to the date of the Announcement, and the number of Shares following completion of the Rights Issue.

The Rights Shares are payable in full upon acceptance and/or application. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their "nil-paid" Rights and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold "nil-paid" Rights of Foreign Shareholders and any Rights Shares that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in the Offer Information Statement, the ARE, the PAL and (if applicable) the Articles of Association, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and the allotment of excess Rights Shares.

2.2 Principal Terms of the Rights Shares

Basis of provisional allotment	:	The Rights Issue is made on a renounceable underwritten basis to Entitled Shareholders on the basis of forty-two (42) Rights Shares for every one hundred (100) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Issue Price	:	S\$0.385 for each Rights Share. The Rights Shares are payable in full upon acceptance and/or application.
Discount	:	The Issue Price represents a discount of approximately 13.5 per cent. to the closing price of S\$0.445 per Share on the SGX-ST on 12 June 2015, being the last trading date immediately prior to the date of the Announcement, and a discount of approximately 9.9 per cent. to the theoretical ex-rights price ² of S\$0.427 per Share.
Use of Proceeds	:	The Company intends to utilise the net proceeds from the Rights Issue, after deduction of the expenses incurred in connection with the issue of Rights Shares pursuant to the Rights Issue, for capital expenditures (including the exploration, appraisal and development of the Group's assets) and general working capital.

² The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the closing price of S\$0.445 per Share on the SGX-ST on 12 June 2015, being the last trading date immediately prior to the date of the Announcement, and the number of Shares following completion of the Rights Issue.

Estimated Net Proceeds	:	The estimated net proceeds from the Rights Issue (after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$3.8 million) are expected to be approximately S\$165.6 million.
Status of Rights Shares	:	The Rights Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.
Number of Rights Shares to be Issued	:	440,144,838 Rights Shares.
Eligibility to participate in the Rights Issue	:	Please refer to Section 2.4 of this Circular.
Listing and trading of the Rights Shares	:	On 15 June 2015, the SGX-ST granted approval in-principle for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in Section 2.3 of this Circular. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

Upon the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "*Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited*", as the same may be amended from time to time, copies of which are available from CDP.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market.

Acceptance, excess application and payment	:	Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their “nil-paid” Rights and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders’ entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold “nil-paid” Rights of Foreign Shareholders and any Rights Shares that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in the Offer Information Statement, the ARE, the PAL and (if applicable) the Articles of Association, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and the allotment of excess Rights Shares.
Management and Underwriting Agreement	:	Please refer to Section 4.1 of this Circular for details of the terms of the Management and Underwriting Agreement.
Sub-underwriting Agreement	:	Please refer to Section 4.2 of this Circular for details of the terms of the Sub-underwriting Agreement.
Irrevocable Undertakings	:	Please refer to Section 4.3 of this Circular for details of the terms of the Irrevocable Undertakings.
Governing law	:	Laws of Singapore.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may, in consultation with the Lead Manager and Underwriter, deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course, subject to, *inter alia*, the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution being approved by the Shareholders at the EGM.

2.3 Conditions for the Rights Issue

Shareholders should note that the Rights Issue is subject to, *inter alia*, the following conditions:

- (a) the Whitewash Waiver granted by the SIC on 12 June 2015 not having been withdrawn or revoked as at the date of completion of the Rights Issue;
- (b) the approval in-principle from the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST which was granted on 15 June 2015, not having been withdrawn as at the date of completion of the Rights Issue;
- (c) the Rights Issue Resolution, including the allotment and issue of the Rights Shares, being approved by Shareholders at the EGM;
- (d) the Sub-underwriting Resolution being approved by Shareholders (save for Devan International Limited and its Associates) at the EGM;
- (e) the Whitewash Resolution being approved by the Independent Shareholders at the EGM; and
- (f) the lodgement of the Offer Information Statement with the MAS.

On 12 June 2015, the SIC granted the Whitewash Waiver, subject to, *inter alia*, the satisfaction of the SIC Conditions, details of which are set out in Section 6.4 of this Circular.

On 15 June 2015, the SGX-ST granted approval in-principle for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Rights Issue Resolution, the Sub-underwriting Resolution, the Whitewash Resolution and the Share Capital Resolution;
- (c) compliance with the SIC Conditions;
- (d) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(10) of the Listing Manual in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (e) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regard to the allotment of any excess Rights Shares; and
- (f) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the Shareholders who have given the Irrevocable Undertakings have sufficient financial resources to fulfil their obligations under their undertakings.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

2.4 Eligibility of Shareholders to Participate in the Rights Issue

(a) Entitled Shareholders

Entitled Shareholders will be entitled to participate in the Rights Issue and to receive the Offer Information Statement, together with the ARE or the PAL, as the case may be, at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement and the ARE may obtain them from CDP, the Share Transfer Agent or any stockbroking firm during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PAL may obtain them from the Share Transfer Agent during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date. Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their "nil-paid" Rights and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold "nil-paid" Rights of Foreign Shareholders and any Rights Shares that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in the Offer Information Statement, the ARE, the PAL and (if applicable) the Articles of Association, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority for the rounding of odd lots and the allotment of excess Rights Shares.

All dealings in and transactions of the Rights through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the "nil-paid" Rights and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, will be contained in the Offer Information Statement and in the ARE, the ARS and the PAL to be despatched by the Company in due course.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit such share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

Entitled Depositors should note that all notices and documents will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588, at least three (3) Market Days before the Books Closure Date.

(b) **Foreign Shareholders**

The Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents, and the purchase, exercise of or subscription for “nil-paid” Rights and/or the Rights Shares by any persons who have registered addresses outside Singapore, or who are resident in, or citizens of countries other than Singapore, may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Foreign Shareholders will not be entitled to participate in the Rights Issue except in limited circumstances. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the Rights through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts (and who, in the case of U.S. persons, are Eligible U.S. Investors) should make the necessary arrangements with their respective Depository Agents or stockbrokers in Singapore.

The Company reserves the right, but shall not be obliged, to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes may violate any applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation, warranty or confirmation. Notwithstanding the foregoing, the “nil-paid” Rights and the Rights Shares may be offered, delivered and sold in the United States to a limited number of persons who are Eligible U.S. Investors. The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate any applicable legislation of any jurisdiction.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the Rights, which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in “nil-paid” Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them **AT THEIR OWN RISK** by ordinary post, **provided that** where the amount of net proceeds to be distributed to any single Foreign Shareholder, persons in

the United States, U.S. persons or persons acting to the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Lead Manager and Underwriter, CDP or the Share Transfer Agent and their respective officers in connection therewith.

Where such provisional allotments are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Lead Manager and Underwriter, CDP or the Share Transfer Agent and their respective officers in respect of such sales or the proceeds thereof, the Rights or the Rights Shares represented by such provisional allotments.

If such provisional allotments cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Lead Manager and Underwriter, CDP or the Share Transfer Agent and their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the foregoing, a limited number of persons located in the United States who are both QIBs or “accredited investors” as defined in Rule 501 of the U.S. Securities Act and “qualified purchasers” within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act, may be able to purchase Rights Shares being offered in the Rights Issue (pursuant to the exercise of Rights) by way of a private placement pursuant to an applicable exemption from registration under the U.S. Securities Act, **provided that** their identity as such has been verified by the Company and they provide a signed investor representation letter in the form set out in the Offer Information Statement not later than the date of the commencement of trading of “nil-paid” Rights (or such other date as may be agreed by the Company with the Lead Manager and Underwriter) prior to such exercise, which will also contain restrictions and procedures regarding the transfer of Rights Shares. The Company reserves absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so. Each purchaser of Rights Shares being offered and sold the Rights Shares outside the United States will be deemed to have represented and agreed, among other things, that the purchaser (a) is, and the person, if any, for whose account it is acquiring such Rights Shares is, outside the United States, and (b) is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

2.5 Transfer Restrictions

The “nil-paid” Rights and the Rights Shares in the Rights Issue have not been, and will not be, registered under the U.S. Securities Act, and the Company will not be registered under the U.S. Investment Company Act.

The “nil-paid” Rights and the Rights Shares in the Rights Issue are therefore subject to restrictions on transferability and resale and may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. person by pre-arrangement or otherwise, and in accordance with the restrictions to be set out in the Offer Information Statement. Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents should be aware that they may be required to bear the risks of an investment in the Rights Shares for an indefinite period of time. Because of these restrictions, holders of the “nil-paid” Rights and the Rights Shares are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the “nil-paid” Rights and the Rights Shares. The Company may compel any holder of or beneficial owner of an interest in the “nil-paid” Rights and/or the Rights Shares to transfer or sell such “nil-paid” Rights and/or Rights Shares or interest, or may sell such “nil-paid” Rights and/or Rights Shares or interest on its behalf, if such person is a U.S. person that is not a Qualified Purchaser, if such person’s holding may cause the Company to be required to register under the U.S. Investment Company Act.

Further details will be set out in the Offer Information Statement.

3. RATIONALE OF THE RIGHTS ISSUE AND USE OF PROCEEDS

In view of the current market conditions and the Company’s intent to progress the development of its projects, the Company believes that a rights issue is the most appropriate method of fund raising. The Company believes that the Rights Issue will enable it to continue to strengthen its balance sheet and enable the Company to invest in value creating opportunities in a timely manner.

The estimated net proceeds from the Rights Issue (after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$3.8 million) are expected to be approximately S\$165.6 million.

The Company intends to utilise the net proceeds from the Rights Issue, after deduction of the expenses incurred in connection with the issue of Rights Shares pursuant to the Rights Issue, in the following approximate manner:

<i>Purpose</i>	<i>S\$ million</i>	<i>US\$ million³</i>	<i>Per cent. of net proceeds</i>
Capital expenditures (including the exploration, appraisal and development of the Group's assets) . . .	140.8	104.7	85.0
General working capital	<u>24.8</u>	<u>18.5</u>	<u>15.0</u>
Total	165.6	123.2	100.0

Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis, including using such net proceeds to temporarily reduce outstanding amounts under the 2014 Revolving Credit Facility, as the Directors may deem appropriate in the interests of the Company.

The Company will announce any material disbursement of the proceeds from the Rights Issue accordingly. In addition, a status report on the use of the proceeds from the Rights Issue will be provided in the Company's annual report.

Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report.

4. UNDERWRITING OF THE RIGHTS ISSUE, SUB-UNDERWRITING AND IRREVOCABLE UNDERTAKINGS

4.1 Underwriting of the Rights Issue

The Underwritten Rights Shares (being the number of Rights Shares other than the Undertaken Rights Shares, and constituting approximately 48.8 per cent. of the total number of Rights Shares) are underwritten by the Lead Manager and Underwriter at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement. The Management and Underwriting Agreement is conditional upon certain events, including the approval in-principle from the SGX-ST for the listing and quotation of the Rights Shares remaining in full force and effect. Approval in-principle has been obtained from the SGX-ST on 15 June 2015 for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

In consideration of the Lead Manager and Underwriter's agreement to underwrite the Underwritten Rights Shares, the Company will pay to the Lead Manager and Underwriter the Underwriting Commission.

³ Based on the exchange rate of US\$1.00 = S\$1.3444.

The Lead Manager and Underwriter may, under the terms of the Management and Underwriting Agreement, terminate the agreement on account of, among other things, the occurrence of events involving a material adverse change in the earnings, assets, business, prospects, results of operations or condition, financial or otherwise, of the Group. The Lead Manager and Underwriter may not terminate the Management and Underwriting Agreement for reason of a *force majeure* event on or after the commencement of Shares trading ex-Rights without consulting the SGX-ST on such termination.

The Lead Manager and Underwriter is a financial institution licensed by the MAS to conduct underwriting activities.

Under the Management and Underwriting Agreement, the Company has agreed, *inter alia*, that other than in connection with the Rights Issue, the KrisEnergy Employee Share Option Scheme, the KrisEnergy Performance Share Plan and the issue of debt securities (excluding, for the avoidance of doubt, debt securities which are convertible into or exchangeable for Shares or which carry rights to subscribe for or purchase Shares), it will not and will procure that none of its subsidiaries will, at any time in the period from the date the Management and Underwriting Agreement up to 90 days following the date on which the Company allots and issues the Rights Shares without the prior written consent of the Lead Manager and Underwriter, such consent not to be unreasonably withheld, directly or indirectly issue any new Shares or other securities or otherwise alter its capital structure or effect any Share repurchases or offer, issue, sell, contract to issue or sell, or grant any option to purchase any Shares (or any securities convertible into or exchangeable for Shares or which carry rights to subscribe for Shares).

4.2 Sub-underwriting

Devan International Limited has entered into the Sub-underwriting Agreement with the Lead Manager and Underwriter pursuant to which it has agreed, on the terms and subject to the conditions of the Sub-underwriting Agreement, to subscribe for the Underwritten Rights Shares to the extent that such Rights Shares are not successfully subscribed for under the Rights Issue.

In consideration of the Sub-underwriting Commitment, the Lead Manager and Underwriter has agreed to pay the Sub-underwriting Commission to Devan International Limited.

4.3 Irrevocable Undertakings

As at the date of the Irrevocable Undertakings, (i) FR XII and FR XII-A collectively held a direct interest in all the shares in the capital of KrisEnergy Holdings Ltd., which in turn held 473,206,568 Shares (the “**Existing KE Holdings Shares**”), representing approximately 45.2 per cent. of the total number of issued Shares of the Company, and (ii) Devan International Limited held 328,536,000 Shares (the “**Existing Devan Shares**”), representing approximately 31.3 per cent. of the total number of issued Shares of the Company.

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have separately, on 15 June 2015, given the Irrevocable Undertakings, pursuant to which:

- (A) FR XII and FR XII-A have irrevocably undertaken to the Company that, *inter alia*:
- (a) they will procure that KrisEnergy Holdings Ltd. votes all the Existing KE Holdings Shares in favour of the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution;
 - (b) they will procure that as at the Books Closure 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) they will procure that KrisEnergy Holdings Ltd. and/or its affiliates will, in accordance with the terms and conditions of the Rights Issue and in any case, not later than the Closing Date, subscribe and pay for 87,298,701 Rights Shares, amounting to approximately 43.9 per cent. of KrisEnergy Holdings Ltd.'s full entitlement of Rights Shares.
- (B) Devan International Limited has irrevocably undertaken to the Company that, *inter alia*:
- (a) it will vote all the Existing Devan Shares in favour of the Rights Issue Resolution;
 - (b) as at the Books Closure Date, it will have in aggregate not less than the Existing Devan Shares credited to its Securities Account; and
 - (c) it will subscribe and pay for its full entitlement of 137,985,120 Rights Shares in accordance with the terms and conditions of the Rights Issue and not later than the Closing Date.

The Undertaken Rights Shares constitute approximately 51.2 per cent. of the total number of Rights Shares.

No commission or fee will be payable by the Company to the Undertaking Shareholders in consideration of the Irrevocable Undertakings.

4.4 Information on Keppel and Devan International Limited

Devan International Limited, an investment holding company, was incorporated in the British Virgin Islands on 13 October 2010 and is a wholly-owned subsidiary of Keppel.

Keppel is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. The Keppel group of companies, includes, *inter alia*, Keppel Offshore & Marine Ltd ("**Keppel Offshore & Marine**"), Keppel Infrastructure Holdings Pte Ltd ("**Keppel Infrastructure**"), Keppel Telecommunications & Transportation Ltd ("**Keppel T&T**") and Keppel Land Limited. Keppel Offshore & Marine is a leader in offshore rig design, construction and repair, ship repair and conversion and specialised shipbuilding. Its Near Market, Near Customer strategy is bolstered by a global network of 20 yards and offices in the Asia-Pacific, Gulf of Mexico, Brazil, the Caspian Sea, Middle East and the North Sea regions. Keppel Infrastructure drives the Keppel group's strategy to invest in, own and operate competitive energy and related infrastructure. Keppel Infrastructure taps the expertise and technology of its engineering business to grow its power and gas,

environmental and energy efficiency businesses. Keppel T&T is a leading service provider in Asia-Pacific and Europe with businesses in logistics and data centres. The Keppel group of companies has a global footprint across more than 30 countries. For more information on Keppel, please visit www.keppcorp.com.

Keppel, through Devan International Limited, became a strategic shareholder of the Company in 2012 through a subscription of new Shares for an effective 20.0 per cent. shareholding in the Company. In 2013, Keppel, through Devan International Limited, exercised an option to increase its effective shareholding pre-IPO and in addition subscribed for US\$35.0 million of new Shares in a cornerstone tranche undertaken concurrently with the IPO, resulting in a shareholding interest of 31.3 per cent. in the Company.

4.5 Board Confirmation

Having considered the terms of the Management and Underwriting Agreement and the Sub-underwriting Agreement (including the payment of the Underwriting Commission by the Company to the Lead Manager and Underwriter and the payment of the Sub-underwriting Commission by the Lead Manager and Underwriter to Devan International Limited), the Board of Directors (save for Loh Chin Hua and Choo Chiau Beng who have abstained) are of the view that the terms of the Management and Underwriting Agreement and the Sub-underwriting Agreement (including the Underwriting Commission and the Sub-underwriting Commission respectively) have been entered into on an arm's length basis and are on normal commercial terms.

In considering the structure of the underwriting of the Rights Issue, the Board of Directors (save for Loh Chin Hua and Choo Chiau Beng who have abstained) considered and noted, *inter alia*, the following:

- (a) the rationale for, and the use of proceeds from, the Rights Issue, as set out in the Announcement and this Circular;
- (b) the importance of the Rights Issue to be fully undertaken and/or underwritten, given the execution risks posed by the Rights Issue execution period; and
- (c) the written confirmation from the Lead Manager and Underwriter to the Board of Directors that they will not underwrite the Rights Issue without the Sub-underwriting Agreement being put in place, and that the discussion on the Sub-underwriting Commitment was initiated by the Lead Manager and Underwriter and not by Devan International Limited.

In particular, in considering the payment of the Sub-underwriting Commission by the Lead Manager and Underwriter to Devan International Limited, the Board of Directors (save for Loh Chin Hua and Choo Chiau Beng who have abstained) has further considered and noted the following:

- (a) by entering into the Sub-underwriting Agreement with the Lead Manager and Underwriter, Devan International Limited has assumed market risks for the Rights Issue; and

- (b) the Sub-underwriting Commission to be paid by the Lead Manager and Underwriter to Devan International Limited (i) is not higher than the Underwriting Commission payable by the Company to the Lead Manager and Underwriter; (ii) is paid by the Lead Manager and Underwriter out of the Underwriting Commission; and (iii) does not lead to an additional cost to the Company over and above the Underwriting Commission payable to the Lead Manager and Underwriter.

On the bases set out above, the Board of Directors (save for Loh Chin Hua and Choo Chiau Beng who have abstained) are unanimously of the view that the terms of the Sub-underwriting Agreement (which include the payment of Sub-underwriting Commission by the Lead Manager and Underwriter to Devan International Limited) are fair and not prejudicial to the Company and to Shareholders (excluding Devan International Limited).

5. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The financial effects of the Rights Issue as presented herein:

- (a) are for illustrative purposes only and are not a projection of the actual future financial performance or financial position of the Group immediately after the completion of the Rights Issue;
- (b) are based on the audited consolidated financial statements of the Group for FY2014 and the unaudited consolidated financial statements of the Group for 1Q2015;
- (c) assume that the Rights Shares had been issued, in respect of profit and loss statements on 1 January 2014 and 1 January 2015, and in respect of balance sheets on 31 December 2014 and 31 March 2015;
- (d) assume, for illustrative purposes only, that 440,144,838 Rights Shares are allotted and issued under the Rights Issue; and
- (e) do not take into account any theoretical ex-rights adjustment factor.

5.1 Share Capital

	<u>Number of Shares</u>	<u>US\$</u>
Issued share capital as at 31 December 2014	1,047,963,898	1,309,955
Add: Rights Shares to be issued	<u>440,144,838</u>	<u>550,181</u>
Issued share capital after the Rights Issue.	<u>1,488,108,736</u>	<u>1,860,136</u>
Issued share capital as at 31 March 2015	1,047,963,898	1,309,955
Add: Rights Shares to be issued	<u>440,144,838</u>	<u>550,181</u>
Issued share capital after the Rights Issue.	<u>1,488,108,736</u>	<u>1,860,136</u>

5.2 NTA

	As at 31 December 2014	As at 31 March 2015
NTA (US\$'000)	327,514	395,168
Add: Net proceeds from Rights Issue (US\$'000)	123,184	123,184
NTA after Rights Issue (US\$'000)	450,698	518,352
Number of Shares	1,047,963,898	1,047,963,898
NTA per Share (US cents)	31.25	37.71
Number of Shares after Rights Issue	1,488,108,736	1,488,108,736
NTA per Share after Rights Issue (US cents)	30.29	34.83

5.3 Gearing

	As at 31 December 2014	As at 31 March 2015
Total net borrowings (US\$'000)	206,106	228,635
Shareholders' equity (US\$'000)	418,967	486,621
Net gearing (times)	0.33	0.32
Total net borrowings after Rights Issue (US\$'000)	82,923	105,451
Shareholders' equity after Rights Issue (US\$'000)	542,151	609,805
Net gearing after Rights Issue (times)	0.13	0.15

5.4 Earnings/(losses) per Share

	FY2014	1Q2015
Net (loss)/profit attributable to Shareholders (US\$'000) . . .	(50,370)	46,297
Weighted average number of Shares ('000)	1,046,967	1,047,964
Weighted average number of Shares after adjusting for Shares allotted and issued pursuant to Share options and awards ('000)	1,051,584	1,057,418
Weighted average number of Shares after Rights Issue ('000)	1,487,112	1,488,109
Weighted average number of Shares after adjusting for Shares allotted and issued pursuant to Share options and awards and after Rights Issue ('000)	1,491,729	1,497,563
Basic (LPS)/EPS (US cents)	(4.81)	4.42
Diluted (LPS)/EPS (US cents)	(4.79)	4.38
Basic (LPS)/EPS after Rights Issue (US cents)	(3.39)	3.11
Diluted (LPS)/EPS after Rights Issue (US cents)	(3.38)	3.09

6. THE WHITEWASH RESOLUTION

6.1 Interests of the Concert Party Group

As at the Latest Practicable Date, the interests of the Devan Holding Group in the Company are as follows:

	Number of Shares held	Per cent. of issued share capital ⁽¹⁾
Devan Holding Group		
Devan International Limited	328,536,000	31.3
Independent Shareholders⁽²⁾	719,427,898	68.7
Total	1,047,963,898	100.0

Notes:

- (1) Based on the issued share capital of the Company of 1,047,963,898 Shares as at the Latest Practicable Date.
- (2) Independent Shareholders are Shareholders, other than the Concert Party Group and parties not independent of the Concert Party Group, who are deemed to be independent for the purposes of voting on the Whitewash Resolution.

6.2 Mandatory Offer Requirement under the Code

Under Rule 14 of the Code, except with the SIC's consent, where any person who, together with persons acting in concert with him, holds not less than 30.0 per cent. but not more than 50.0 per cent. of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than one (1.0) per cent. of the voting rights, he is required to make a mandatory general offer for all the Shares in the Company which he does not already own or control.

As at the Latest Practicable Date, Devan International Limited holds a shareholding interest of approximately 31.3 per cent. of the existing issued share capital of the Company, representing approximately 31.3 per cent. of the voting rights in the Company.

Assuming that:

- (a) the Undertaking Shareholders subscribe or procure subscription for the Rights Shares under the Rights Issue in accordance with their respective Irrevocable Undertakings;
- (b) none of the other Entitled Shareholders subscribe for any of their respective entitlements of Rights Shares;
- (c) the Underwritten Rights Shares are underwritten by the Lead Manager and Underwriter in accordance with the terms of the Management and Underwriting Agreement; and
- (d) Devan International Limited is required to acquire the Underwritten Rights Shares in accordance with the Sub-underwriting Agreement,

the shareholding interests of Devan International Limited will increase from approximately 31.3 per cent. of the total issued share capital of the Company to approximately 45.8 per cent. of the total issued share capital of the Company, based on the enlarged issued share capital of the Company of 1,488,108,736 Shares immediately following the allotment and issue of 440,144,838 Rights Shares under the Rights Issue.

Accordingly, the fulfilment by Devan International Limited of its obligations under the Sub-underwriting Agreement may result in the Concert Party Group acquiring Rights Shares resulting in them increasing their shareholding in the Company by more than one (1.0) per cent. within a period of six (6) months. In such event, the Devan Holding Group would incur an obligation to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code unless such obligation is waived by the SIC.

Accordingly, an application was made by Devan International Limited to the SIC for, *inter alia*, a waiver of the obligations of the Devan Holding Group to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code arising from the acquisition by Devan International Limited of Rights Shares pursuant to the Devan Undertaking and the Sub-underwriting Agreement. On 12 June 2015, the SIC granted the Whitewash Waiver subject to, *inter alia*, the satisfaction of the SIC Conditions set out in Section 6.4 of this Circular.

6.3 Potential Dilution

Taking into account the assumptions set out in Section 6.2 above, as a result of the Rights Issue, the Irrevocable Undertakings and the Sub-underwriting Commitment, the collective shareholding interests of the Shareholders (other than Devan International Limited) in the Company may be diluted as follows:

Before the Rights Issue

	Number of Shares held	Per cent. of issued share capital ⁽¹⁾
Devan Holding Group		
Devan International Limited	328,536,000 ⁽²⁾	31.3
Independent Shareholders⁽³⁾	719,427,898	68.7
Total	1,047,963,898	100.0

Notes:

- (1) Based on the issued share capital of the Company of 1,047,963,898 Shares as at the Latest Practicable Date.
- (2) Save for the Devan Undertaking, the Devan Holding Group does not hold any instruments convertible into, rights to subscribe for and options in respect of the Shares as at the Latest Practicable Date.
- (3) Independent Shareholders are Shareholders, other than the Concert Party Group and parties not independent of the Concert Party Group, who are deemed to be independent for the purposes of voting on the Whitewash Resolution.

After the Rights Issue

	Number of Shares held ⁽¹⁾	Per cent. of issued share capital ⁽¹⁾
Devan Holding Group		
Devan International Limited	681,382,137	45.8
Independent Shareholders⁽²⁾	806,726,599	54.2
Total	1,488,108,736⁽¹⁾	100.0⁽¹⁾

Notes:

- (1) Based on the issued share capital of the Company of 1,047,963,898 Shares as at the Latest Practicable Date and the enlarged issued share capital of the Company of 1,488,108,736 Shares immediately following the allotment and issue of 440,144,838 Rights Shares under the Rights Issue.
- (2) Independent Shareholders are Shareholders, other than the Concert Party Group and parties not independent of the Concert Party Group, who are deemed to be independent for the purposes of voting on the Whitewash Resolution.

6.4 Whitewash Waiver

On 12 June 2015, the SIC granted the Whitewash Waiver, subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights Issue, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Devan Holding Group;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Concert Party Group and parties not independent of it abstain from voting on the Whitewash Resolution;
- (d) the Concert Party Group did not acquire or is not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which has been disclosed in this Circular):
- (i) during the period between the first announcement of the Rights Issue and the date Shareholders' approval is obtained for the Whitewash Resolution; and
- (ii) in the six (6) months prior to the announcement of the Rights Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to such issue;
- (e) the Company appoints an independent financial adviser to advise Independent Shareholders on the Whitewash Resolution;

- (f) the Company sets out clearly in this Circular:
 - (i) details of the Rights Issue including the Devan Undertaking and the Sub-underwriting Agreement;
 - (ii) the dilution effect to existing holders of voting rights upon the acquisition of Rights Shares by the Devan Holding Group pursuant to the Devan Undertaking and the Sub-underwriting Agreement;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Devan Holding Group as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights in the Company to be acquired by the Devan Holding Group pursuant to the Devan Undertaking and the Sub-underwriting Agreement; and
 - (v) specific and prominent reference to the fact that the Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Devan Holding Group at the highest price paid by the Devan Holding Group for Shares in the past six (6) months preceding the commencement of the Rights Issue;
- (g) this Circular states that the Whitewash Waiver is subject to the conditions stated in sub-sections (a) to (f) above;
- (h) the Devan Holding Group obtains the SIC's approval in advance for those parts of this Circular that refer to the Whitewash Resolution;
- (i) to rely on the Whitewash Resolution, the acquisition of the Rights Shares by the Devan Holding Group pursuant to the Devan Undertaking and the Sub-underwriting Agreement must be completed within three (3) months of the date of the approval of the Whitewash Resolution;

(collectively, the “**SIC Conditions**”).

As at the date of this Circular, save for the conditions set out in sub-sections (a), (c), (d) and (i) above in respect of the Concert Party Group, all the other SIC Conditions set out above have been satisfied.

6.5 Whitewash Resolution

Independent Shareholders are requested to vote by way of a poll, on the Whitewash Resolution set out in the Notice of EGM on pages N-1 to N-5 of this Circular, waiving their rights to receive a mandatory general offer from the Devan Holding Group for the remaining Shares not already owned or controlled by the Concert Party Group.

6.6 Advice to Independent Shareholders

Independent Shareholders should note that:

- (a) **by voting for the Whitewash Resolution, they will be waiving their rights to receive a general offer from the Devan Holding Group at the highest price paid by the Devan Holding Group for Shares in the past six (6) months preceding the commencement of the Rights Issue which they would have otherwise been obliged to make for the Shares pursuant to Rule 14 of the Code; and**
- (b) **the Rights Issue is conditional upon them voting in favour of, among others, the Whitewash Resolution. In view of this, in the event that the Whitewash Resolution is not passed by the Independent Shareholders, the Rights Issue will not take place.**

6.7 Advice from the Independent Financial Adviser

SAC Capital Private Limited has been appointed as the IFA to advise the Independent Directors in respect of the Whitewash Resolution.

The IFA Letter setting out the IFA's advice to the Independent Directors in full is reproduced in Appendix 2 of this Circular.

Taking into consideration the factors set out in the IFA Letter, the information available to the IFA as at the Latest Practicable Date and subject to the qualifications and assumptions set out in the IFA Letter, the IFA is of the opinion that the Whitewash Resolution, when considered in the context of the Rights Issue (which terms are fair and reasonable), is not prejudicial to the interests of the Independent Shareholders. **Accordingly, the IFA has advised the Independent Directors to recommend that the Independent Shareholders vote in favour of the Whitewash Resolution.**

Shareholders are advised to read and consider the IFA Letter in its entirety as reproduced in Appendix 2 of this Circular and consider carefully the recommendations of the Independent Directors for the Whitewash Resolution set out in Section 15 of this Circular.

7. REVIEW OF PAST PERFORMANCE

The profit and loss statements, the cash flow statements, the balance sheets and the working capital position of the Group for the last three financial years ended 31 December and for the three-month financial period ended 31 March 2015 are set out in Appendix 3 of this Circular.

8. BOOKS CLOSURE DATE

Subject to the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution being approved at the EGM, the Register of Members of the Company will be closed at 5:00 p.m. on 13 July 2015 (or such other time and date as the Directors may determine) to determine the Rights of the Entitled Shareholders under the Rights Issue.

9. RECENT DEVELOPMENTS

On 18 June 2015, the Company announced that oil production from the Nong Yao field in the G11/48 licence in the Gulf of Thailand commenced from three initial wells on 17 June 2015.

The Nong Yao development will comprise up to 23 wells, a wellhead processing platform and a minimum facility wellhead platform with the export of crude via a floating storage and offloading vessel. The facilities have a production capacity of up to 15,000 bopd and a processing capacity of 30,000 barrels of fluids per day.

10. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The interests of the Directors and Substantial Shareholders, based on information recorded in the Register of Directors' and Substantial Shareholders' Shareholdings, respectively, as at the Latest Practicable Date are set out in Appendix 1 of this Circular.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for the Irrevocable Undertakings and the Sub-underwriting Commitment as set out in Section 4 of this Circular and save as disclosed in Section 15.3 and Appendix 1 of this Circular, none of the Directors or Substantial Shareholders has any direct or indirect interest in the Rights Issue other than through their respective shareholdings in the Company.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held on 7 July 2015 at 10:00 a.m., for the purpose of considering, and if thought fit, passing with or without any modifications, the Ordinary Resolutions set out in the Notice of EGM.

13. OFFER INFORMATION STATEMENT

The Offer Information Statement will be despatched by the Company to Entitled Shareholders subject to, *inter alia*, the approval of the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution being obtained at the EGM. Acceptances and applications under the Rights Issue can only be made on the following (all of which will form part of the Offer Information Statement):

- (a) the PAL, in the case of Entitled Scripholders;
- (b) the ARE, in the case of Entitled Depositors;
- (c) the ARS, in the case of persons purchasing Rights through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore; and
- (d) the automated teller machines of Participating Banks providing electronic applications through such automated teller machines, in the case of Entitled Depositors or renounees or purchasers of Rights on the SGX-ST.

The procedures for, and the terms and conditions applicable to, the acceptances, renunciations and/or sales of the "nil-paid" Rights and for the excess applications for the Rights Shares pursuant to the Rights Issue, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1 Appointment of Proxies. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote in his place or on his behalf, he should complete, sign and return the Depositor Proxy Form or Shareholder Proxy Form (as the case may be) enclosed with this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 not less than 48 hours before the time appointed for holding the EGM. Completion and return of the Depositor Proxy Form or Shareholder Proxy Form (as the case may be) by a Shareholder will not prevent him from attending and voting at the EGM if he subsequently wishes to do so. In such an event, the relevant Proxy Form shall be deemed to be revoked.

14.2 When Depositor deemed appointed as Proxy. A Depositor shall not be deemed to have been appointed as proxy of CDP to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

14.3 Record Date. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, as at 48 hours before the EGM.

15. DIRECTORS' RECOMMENDATION

15.1 Share Capital Resolution

The Directors, having considered, *inter alia*, the rationale for the Share Capital Resolution as set out in Section 1.2 of this Circular, are of the opinion that the Share Capital Resolution is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Share Capital Resolution to be proposed at the EGM.

15.2 Rights Issue Resolution

The Directors, having considered, *inter alia*, the rationale for the Rights Issue as set out in Section 3 of this Circular, are of the opinion that the Rights Issue is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Rights Issue Resolution to be proposed at the EGM.

15.3 Sub-underwriting Resolution

Each of Loh Chin Hua and Choo Chiau Beng has abstained from deliberating and making any recommendation in respect of the Sub-underwriting Resolution, as they are nominees of Keppel. Loh Chin Hua is the Chief Executive Officer and a Director of Keppel while Choo Chiau Beng is the Senior Adviser of the board of directors of Keppel, and are therefore not considered independent of Devan International Limited, which is a wholly-owned subsidiary of Keppel. The Independent Directors, having considered, *inter alia*, the rationale for the Rights Issue as set out in Section 3 of this Circular and the structure of the underwriting of the Rights Issue and the payment of the Sub-underwriting Commission as set out in Sections 4.1, 4.2 and 4.5 of this Circular, are of the opinion that the payment of the Sub-underwriting Commission is fair and not prejudicial to the Company and to other Shareholders (excluding Devan International Limited). Accordingly, they recommend that Shareholders vote in favour of the Sub-underwriting Resolution to be proposed at the EGM.

15.4 Whitewash Resolution

Each of Loh Chin Hua and Choo Chiau Beng has abstained from deliberating and making any recommendation in respect of the Whitewash Resolution, as they are nominees of Keppel. Loh Chin Hua is the Chief Executive Officer and a Director of Keppel while Choo Chiau Beng is the Senior Adviser of the board of directors of Keppel, and are therefore not considered independent of Devan International Limited, which is a wholly-owned subsidiary of Keppel. The Independent Directors, having considered, *inter alia*, the rationale for the Rights Issue as set out in Section 3 of this Circular and the advice of the IFA as set out in the IFA Letter reproduced in Appendix 2 of this Circular, are of the opinion that the Whitewash Resolution is in the best interests of the Company and is fair and not prejudicial to the interests of the Independent Shareholders. Accordingly, they recommend that the Independent Shareholders vote in favour of the Whitewash Resolution to be proposed at the EGM.

15.5 Note to Shareholders

Shareholders, in deciding whether to vote in favour of the resolutions, should read carefully the terms and conditions, rationale and financial effects of the Rights Issue and in respect of the Whitewash Resolution, consider carefully the advice of the IFA. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank, solicitor, accountant, tax adviser or other professional advisers.

16. ABSTENTION FROM VOTING

Devan International Limited and its Associates will abstain from voting in respect of their Shares on the Sub-underwriting Resolution and shall not accept nomination as proxies or otherwise for voting on the Sub-underwriting Resolution unless they are given specific instructions as to voting.

Pursuant to the SIC Conditions, the Concert Party Group as well as parties not independent of the Concert Party Group will abstain from voting in respect of their Shares on the Whitewash Resolution and shall not accept nomination as proxies or otherwise for voting on the Whitewash Resolution unless they are given specific instructions as to voting.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Share Capital Resolution, the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

18. CONSENTS

Merrill Lynch (Singapore) Pte. Ltd., as the Lead Manager and Underwriter of the Rights Issue, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

SAC Capital Private Limited, as the IFA to the Independent Directors in relation to the Whitewash Resolution, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of (i) its name and all references thereto; (ii) the statements in Section 6.7 of this Circular and (iii) the IFA Letter as reproduced in Appendix 2 of this Circular, in the form and context in which they appear in this Circular.

19. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands and at the Singapore office of the Company at 83 Clemenceau Avenue #10-05, UE Square, Singapore 239920, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Articles of Association;
- (b) the annual reports of the Company for FY2012, FY2013 and FY2014;
- (c) the letters of consent referred to in Section 18 of this Circular; and
- (d) the IFA Letter as reproduced in Appendix 2 of this Circular.

Yours faithfully
for and on behalf of the Board of Directors of the Company

Keith Cameron
Executive Director and Chief Executive Officer

APPENDIX 1
INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. **Interests of Directors.** The interests of the Directors in Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Director	Direct Interest		Deemed Interest		Number of Shares comprised in outstanding Awards	Total Interest and Number of Shares comprised in outstanding Awards
	Number of Shares	per cent. ⁽¹⁾	Number of Shares	per cent. ⁽¹⁾		
John William Gervase Honeybourne	—	—	—	—	—	—
Koh Tiong Lu John	100,000 ⁽²⁾	0.0	—	—	—	100,000 ⁽²⁾ Shares
Keith Gordon Cameron	—	—	4,415,285 ^{(3)(a)}	0.4	The aggregate of ^{(3)(b)} : (i) up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) 1,095,627 Shares	4,415,285 ^{(3)(a)} Shares and the aggregate of ^{(3)(b)} : (i) up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) 1,095,627 Shares
Christopher Gibson-Robinson	221,069	0.0	4,208,216 ^{(4)(a)}	0.4	The aggregate of ^{(4)(b)} : (i) up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) 1,095,627 Shares	4,429,285 ^{(4)(a)} Shares and the aggregate of ^{(4)(b)} : (i) up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) 1,095,627 Shares
Richard Allan Lorentz Jr.	207,069	0.0	4,208,216 ^{(5)(a)}	0.4	The aggregate of ^{(5)(b)} : (i) up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) 1,095,627 Shares	4,415,285 ^{(5)(a)} Shares and the aggregate of ^{(5)(b)} : (i) up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) 1,095,627 Shares
Brooks Michael Shughart	—	—	—	—	—	—
Choo Chiau Beng	—	—	—	—	—	—

Director	Direct Interest		Deemed Interest		Number of Shares comprised in outstanding Awards	Total Interest and Number of Shares comprised in outstanding Awards
	Number of Shares	per cent. ⁽¹⁾	Number of Shares	per cent. ⁽¹⁾		
Loh Chin Hua	—	—	—	—	—	—
Duane Carl Radtke	—	—	1,615,008 ⁽⁶⁾	0.2	—	1,615,008 ⁽⁶⁾ Shares
Jeffrey Saunders MacDonald	352,536 ⁽⁷⁾	0.0	—	—	—	352,536 ⁽⁷⁾ Shares
Tan Ek Kia	100,000	0.0	—	—	—	100,000 Shares
Alan Rupert Nisbet	—	—	—	—	—	—
Keith James Pringle	171,344 ⁽⁷⁾	0.0	—	—	—	171,344 ⁽⁷⁾ Shares

Notes

- 1) Based on 1,047,963,898 issued Shares as at the Latest Practicable Date. Excludes interests in Shares comprised in awards (“Awards”) granted pursuant to the KrisEnergy Performance Share Plan (“KrisEnergy PSP”).
- 2) Held through nominee, DBS Nominees Pte Ltd.
- 3) (a) This comprises 207,069 Shares held in trust by Flamboyant Ltd for Keith Cameron’s benefit and 4,208,216 Shares held by CKR Resources (B.V.I.) Ltd (“CKR”) of which Keith Cameron is a controlling shareholder.
(b) Keith Cameron has been awarded Shares under the KrisEnergy PSP comprising:
 - (i) Shares awarded to him under the KrisEnergy PSP (“MS-Awards”) on 19 July 2013 (“Listing Date”) comprising up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied, subject to certain performance conditions being met and other terms and conditions; and
 - (ii) up to 1,095,627 Shares awarded to him under the KrisEnergy PSP on 13 November 2013, 25 June 2014 and 31 December 2014 subject to certain performance conditions being met and other terms and conditions.
- 4) (a) This comprises 4,208,216 Shares held by CKR of which Chris Gibson-Robinson is a controlling shareholder.
(b) Chris Gibson-Robinson has been awarded Shares under the KrisEnergy PSP comprising:
 - (i) Shares awarded to him under the KrisEnergy PSP (MS-Awards) on the Listing Date comprising up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied, subject to certain performance conditions being met and other terms and conditions; and
 - (ii) up to 1,095,627 Shares awarded to him under the KrisEnergy PSP on 13 November 2013, 25 June 2014 and 31 December 2014 subject to certain performance conditions being met and other terms and conditions.

- 5) (a) This comprises 4,208,216 Shares held by CKR of which Richard Lorentz is a controlling shareholder.
 (b) Richard Lorentz has been awarded Shares under the KrisEnergy PSP comprising:
- (i) Shares awarded to him under the KrisEnergy PSP (MS-Awards) on the Listing Date comprising up to one-ninth of 3 per cent. of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied, subject to certain performance conditions being met and other terms and conditions; and
- (ii) up to 1,095,627 Shares awarded to him under the KrisEnergy PSP on 13 November 2013, 25 June 2014 and 31 December 2014 subject to certain performance conditions being met and other terms and conditions.
- 6) Duane Radtke is deemed interested in the 1,615,008 Shares held by Radtke Investments L.P. ("RILP") as Duane Radtke and his wife are the general partners of RILP and each is able to make investment decisions for RILP. RILP is owned by Duane Radtke (2.0 per cent.) and his wife (2.0 per cent.) and their two sons (48.0 per cent. each).
- 7) Held through nominee, Raffles Nominees Pte Ltd.

2. Interests of Substantial Shareholders. The interests of the substantial Shareholders in Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	per cent.	No. of Shares	per cent.	No. of Shares	per cent.
KrisEnergy Holdings Ltd.	473,206,568	45.2	—	—	473,206,568	45.2
First Reserve Fund XII L.P.	—	—	473,206,568 ⁽¹⁾	45.2	473,206,568	45.2
First Reserve GP XII, L.P.	—	—	473,206,568 ⁽¹⁾	45.2	473,206,568	45.2
First Reserve GP XII Limited	—	—	473,206,568 ⁽¹⁾	45.2	473,206,568	45.2
William Macaulay	—	—	473,206,568 ⁽¹⁾	45.2	473,206,568	45.2
Devan International Limited	328,536,000	31.3	—	—	328,536,000	31.3
Keppel Oil & Gas Pte Ltd	—	—	328,536,000 ⁽²⁾	31.3	328,536,000	31.3
KepVenture Pte Ltd	—	—	328,536,000 ⁽²⁾	31.3	328,536,000	31.3
Keppel Corporation Limited.	—	—	328,536,000 ⁽²⁾	31.3	328,536,000	31.3
Temasek Holdings (Private) Limited.	—	—	328,536,000 ⁽³⁾	31.3	328,536,000	31.3

Notes:

- (1) First Reserve Fund XII L.P. ("**FR XII**"), First Reserve GP XII, L.P. ("**FR GP XII**"), First Reserve GP XII Limited ("**FR GP XII Limited**") and William Macaulay are deemed under Section 4 of the SFA to have an interest in the Shares held by KrisEnergy Holdings Ltd. ("**KEHL**") as:
 - (a) FR XII is the holding company of KEHL;
 - (b) FR XII is managed by FR GP XII;
 - (c) FR GP XII is managed by FR GP XII Limited; and
 - (d) William Macaulay has the ability to appoint directors of FR GP XII Limited.
- (2) Keppel Oil and Gas Pte Ltd. ("**Keppel O&G**"), KepVenture Pte Ltd ("**KepVenture**"), Keppel Corporation Limited ("**Keppel Corp**") are each deemed under Section 4 of the SFA to have an interest in the Shares held by Devan International Limited ("**Devan**") as:
 - (a) Devan is a wholly owned subsidiary of Keppel O&G;
 - (b) Keppel O&G is a wholly owned subsidiary of KepVenture; and
 - (c) KepVenture is a wholly owned subsidiary of Keppel Corp.
- (3) Temasek Holdings (Private) Limited ("**Temasek**") is deemed under Section 4 of the SFA to have an interest in the Shares held by Devan as:
 - (a) Devan is a wholly owned subsidiary of Keppel O&G;
 - (b) Keppel O&G is a wholly owned subsidiary of KepVenture;
 - (c) KepVenture is a wholly owned subsidiary of Keppel Corp; and
 - (d) Temasek has more than 20 per cent. interest in Keppel Corp, an independently managed Temasek portfolio company.

APPENDIX 2
INDEPENDENT FINANCIAL ADVISER'S LETTER

SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

1 Robinson Road #21-02 AIA Tower
Singapore 048542

22 June 2015

To: The Independent Directors of KrisEnergy Limited
(in relation to the Whitewash Resolution)

John William Gervase Honeybourne
Koh Tiong Lu John
Keith Gordon Cameron
Christopher Gibson-Robinson
Richard Allan Lorentz Jr.
Brooks Michael Shughart
Duane Carl Radtke
Jeffrey Saunders MacDonald
Tan Ek Kia
Alan Rupert Nisbet
Keith James Pringle

Dear Sirs

THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF INDEPENDENT SHAREHOLDERS TO RECEIVE A MANDATORY GENERAL OFFER FROM THE DEVAN HOLDING GROUP FOR THE REMAINING SHARES NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein.

1. INTRODUCTION

On 15 June 2015, the board of directors (the "**Directors**") of KrisEnergy Limited (the "**Company**") announced (the "**Announcement**"), *inter alia*, that the Company proposed to undertake a renounceable underwritten rights issue of 440,144,838 new shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.385 (the "**Issue Price**") for each Rights Share, on the basis of forty-two (42) Rights Shares for every one hundred (100) existing shares in the capital of the Company (the "**Shares**") held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded (the "**Rights Issue**").

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, First Reserve Fund XII, L.P. (“**FR XII**”) and FR XII-A Parallel Vehicle, L.P. (“**FR XII-A**”), which collectively hold a direct interest in all the shares in the capital of KrisEnergy Holdings Ltd (“**KrisEnergy Holdings**”), have irrevocably undertaken, *inter alia*, that they will procure that KrisEnergy Holdings and/or its affiliates will subscribe and pay for 87,298,701 Rights Shares, and Devan International Limited (“**Devan International**”), a wholly-owned subsidiary of Keppel Corporation Limited, has irrevocably undertaken, *inter alia*, to subscribe and pay for 137,985,120 Rights Shares (collectively the “**Undertaken Rights Shares**”). The Undertaken Rights Shares of KrisEnergy Holdings and Devan International represent 43.9% and 100.0% of their respective entitlements of Rights Shares. As at the Latest Practicable Date, KrisEnergy Holdings and Devan International have an interest of 45.2% and 31.3% in the issued share capital of the Company respectively.

Other than the Undertaken Rights Shares, the remaining 214,861,017 Rights Shares are underwritten by the Lead Manager and Underwriter (the “**Underwritten Rights Shares**”). Devan International has entered into a Sub-underwriting Agreement with the Lead Manager and Underwriter pursuant to which it has agreed, on the terms and subject to the conditions of the Sub-underwriting Agreement, to subscribe for the Underwritten Rights Shares to the extent that such Rights Shares are not successfully subscribed for under the Rights Issue.

In the event that (a) the Undertaking Shareholders subscribe or procure subscription for the Rights Shares under the Rights Issue in accordance with their respective Irrevocable Undertakings, (b) none of the other Entitled Shareholders subscribe for any of their respective entitlements of Rights Shares, (c) the Underwritten Rights Shares are underwritten by the Lead Manager and Underwriter in accordance with the terms of the Management and Underwriting Agreement, and (d) Devan International is required to acquire the Underwritten Rights Shares in accordance with the Sub-underwriting Agreement, the shareholding interests of Devan International will increase from 31.3% of the total issued share capital of the Company to 45.8% of the total issued share capital of the Company, based on the enlarged issued capital of the Company of 1,488,108,736 Shares immediately following the allotment and issue of 440,144,838 Rights Shares under the Rights Issue.

Accordingly, the fulfilment by Devan International of its obligations under the Sub-underwriting Agreement may result in Devan International, Keppel Oil & Gas Pte. Ltd., Kepventure Pte. Ltd., Keppel Corporation Limited, each of their respective directors (together with their close relatives, related trusts and companies controlled by any of them) (the “**Devan Holding Group**”), and any other parties acting or deemed to be acting in concert with it in respect of the Shares (the “**Concert Party Group**”), acquiring Rights Shares resulting in them increasing their shareholding in the Company by more than 1.0% within a period of six (6) months.

The Code states that where (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more the voting rights of the company, or (b) any person who, together with all parties acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or persons acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% of the voting rights, such person must make a mandatory general offer for all the shares which he does not already own or control in accordance with Rule 14 of the Code, unless such obligation to make a mandatory general offer is waived by the Securities Industry Council (the “**SIC**”).

Accordingly, an application was made by Devan International to the SIC for, *inter alia*, a waiver of the obligations of the Devan Holding Group to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code arising from the acquisition by Devan International of Rights Shares pursuant to the Devan Undertaking and the Sub-underwriting Agreement (the “**Whitewash Waiver**”). On 12 June 2015, the SIC granted the Whitewash Waiver subject to, *inter alia*, a majority of holders of the voting rights of the Company approve at a general meeting, before the Rights Issue, the Whitewash Resolution by way of poll to waive their rights to receive a general offer from the Devan Holding Group and the appointment of an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution.

The Company has appointed us as the independent financial adviser to advise the Directors who are independent in respect of the Whitewash Resolution (the “**Independent Directors**”) on whether the Whitewash Resolution is prejudicial to the interests of the Independent Shareholders.

This letter, which sets out our opinion, advice and evaluation, has been prepared for the use of the Independent Directors in connection with their consideration of the Whitewash Resolution and their recommendation to the Independent Shareholders arising thereof.

2. TERMS OF REFERENCE

We have been appointed as the independent financial adviser to advise the Independent Directors in respect of the Whitewash Resolution.

We are not and were not involved in any aspect of the negotiations entered into by the Company and its subsidiaries (the “**Group**”) in connection with the Whitewash Resolution or in the deliberations leading up to the decision by the Directors to undertake the Rights Issue. Accordingly, we do not, by this letter, make any representation or warrant the merits of the Rights Issue.

We have not conducted a comprehensive review of the business, operations or financial condition of the Group. We have also not evaluated the strategic or commercial merits or risks of the Rights Issue or the future growth prospects or earnings potential of the Group after the completion of the Rights Issue. Accordingly, we do not express any view as to the prices at which the Shares may trade upon completion of the Rights Issue or on the future financial performance of the Group after the completion of the Rights Issue.

In the course of our evaluation, we have held discussions with the Directors and the management of the Company (the “**Management**”) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management. We have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however, made reasonable enquiries and exercised our judgment (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy of such information or representations which we have relied on.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Rights Issue and the Whitewash Resolution has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would

cause any information disclosed in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nonetheless have made such enquiries and exercised such judgement as were deemed necessary and have found no reason to doubt the reliability of the information or facts. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

Save as disclosed, all information relating to the Group that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group at any time or as at the Latest Practicable Date. We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position and earnings potential of the Group. We have not been provided with, nor do we have access to, any business plan or financial projections of the future performance of the Group and we did not conduct any discussions with the Directors and the Management on any such business plan or financial projections of the Group.

Our opinion and advice, as set out in this letter, is based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as of, the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our views contained herein.

In arriving at our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice in relation to the Whitewash Resolution should be considered in the context of the entirety of this letter and the Circular.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

3. THE RIGHTS ISSUE

3.1. Basis of the Rights Issue

The Rights Issue is made on a renounceable underwritten basis to Entitled Shareholders on the basis of forty-two (42) Rights Shares for every one hundred (100) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Based on the issued share capital of the Company of 1,047,963,898 Shares as at the Latest Practicable Date, 440,144,838 Rights Shares are proposed to be issued.

The Issue Price represents a discount of approximately 9.9% to the theoretical ex-rights price of S\$0.427 per Share.

The Rights Shares are payable in full upon acceptance and/or application. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

3.2. Rationale of the Rights Issue and Use of Proceeds

Further details of the rationale of the Rights Issue and use of proceeds are set out in section 3 of the Circular, and Shareholders are advised to read the information carefully.

3.3. Conditions for the Rights Issue

The Rights Issue is subject to, *inter alia*, the approval from the Independent Shareholders on the Whitewash Resolution and the Sub-underwriting Resolution at the EGM. Further details of the other conditions are set out in section 2.3 of the Circular, and Shareholders are advised to read the information carefully.

3.4. Irrevocable Undertakings

As at the date of the Irrevocable Undertakings, (i) FR XII and FR XII-A collectively held a direct interest in all the shares in the capital of KrisEnergy Holdings, which in turn held 473,206,568 Shares (the “**Existing KE Holdings Shares**”), representing approximately 45.2% of the total number of issued Shares of the Company and (ii) Devan International held 328,536,000 Shares (the “**Existing Devan Shares**”), representing approximately 31.3% of the total number of issued Shares of the Company. To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have separately, on 15 June 2015, given the Irrevocable Undertakings, pursuant to which they each have irrevocably undertaken to the Company that they will, *inter alia*, subscribe and pay for, or, in the case of FR XII and FR XII-A, procure that KrisEnergy Holdings and/or its affiliates will subscribe and pay for, their respective Undertaken Rights Shares.

3.5. Underwriting and Sub-underwriting of the Rights Issue

The Underwritten Rights Shares (being the number of Rights Shares other than the Undertaken Rights Shares, and constituting approximately 48.8% of the total number of Rights Shares) are underwritten by the Lead Manager and Underwriter at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement.

Devan International has entered into a Sub-underwriting Agreement with the Lead Manager and Underwriter pursuant to which it has agreed, on the terms and subject to the conditions of the Sub-underwriting Agreement, to subscribe for the Underwritten Rights Shares to the extent that such Rights Shares are not successfully subscribed for under the Rights Issue.

Further details of the Underwriting of the Rights Issue and the Sub-underwriting are set out in sections 4.1 and 4.2 of the Circular respectively, and Shareholders are advised to read the information carefully.

3.6. Abstention from making Recommendation and Voting

Each of Loh Chin Hua and Choo Chiau Beng has abstained from deliberating and making any recommendation in respect of the Whitewash Resolution, as they are nominees of Keppel. Loh Chin Hua is the Chief Executive Officer and a Director of Keppel while Choo Chiau Beng is the Senior Adviser of the board of directors of Keppel, and are therefore not considered independent of Devan International, which is a wholly-owned subsidiary of Keppel.

The Concert Party Group as well as parties not independent of the Concert Party Group will abstain from voting in respect of their Shares on the Whitewash Resolution and shall not accept nomination as proxies or otherwise for voting on the Whitewash Resolution unless they are given specific instructions as to voting.

4. THE WHITEWASH RESOLUTION

Under Rule 14 of the Code, except with the SIC's consent, where any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1.0% of the voting rights, he is required to make a mandatory general offer for all the Shares in the Company which he does not already own or control.

As at the Latest Practicable Date, Devan International holds a shareholding interest of approximately 31.3% of the existing issued share capital of the Company, representing approximately 31.3% of the voting rights in the Company.

Assuming that:

- (a) the Undertaking Shareholders subscribe or procure subscription for the Rights Shares under the Rights Issue in accordance with their respective Irrevocable Undertakings;
- (b) none of the other Entitled Shareholders subscribe for any of their respective entitlements of Rights Shares;
- (c) the Underwritten Rights Shares are underwritten by the Lead Manager and Underwriter in accordance with the terms of the Management and Underwriting Agreement; and
- (d) Devan international is required to acquire the Underwritten Rights Shares in accordance with the Sub-underwriting Agreement,

the shareholding interests of Devan International will increase from approximately 31.3% of the total issued share capital of the Company to approximately 45.8% of the total issued share capital of the Company, based on the enlarged issued share capital of the Company of 1,488,108,736 Shares immediately following the allotment and issue of 440,144,838 Rights Shares under the Rights Issue.

Accordingly, the fulfilment by Devan International of its obligations under the Sub-underwriting Agreement may result in the Concert Party Group acquiring Rights Shares resulting in them increasing their shareholding in the Company by more than 1.0% within a period of six (6) months. In such event, the Devan Holding Group would incur an obligation to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code unless such obligation is waived by the SIC.

Accordingly, an application was made by Devan International to the SIC for, *inter alia*, a waiver of the obligations of the Devan Holding Group to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code arising from the acquisition by Devan International of Rights Shares pursuant to the Devan Undertaking and the Sub-underwriting Agreement. On 12 June 2015, the SIC granted the Whitewash Waiver subject to, *inter alia*, the satisfaction of the SIC Conditions set out in section 6.4 of the Circular.

INDEPENDENT SHAREHOLDERS SHOULD NOTE THAT:

- (a) by voting for the Whitewash Resolution, they will be waiving their rights to receive a general offer from the Devan Holding Group at the highest price paid by the Devan Holding Group for Shares in the past six (6) months preceding the commencement of the Rights Issue which they would have otherwise been obliged to make for the Shares pursuant to Rule 14 of the Code; and**
- (b) the Rights Issue is conditional upon them voting in favour of, amongst others, the Whitewash Resolution. In view of this, in the event that the Whitewash Resolution is not passed by the Independent Shareholders, the Rights Issue will not take place.**

5. EVALUATION OF THE WHITEWASH RESOLUTION

In our evaluation of the Whitewash Resolution, we have given due consideration to the following key factors:

- (a) the rationale of the Rights Issue and use of proceeds;
- (b) the Rights Shares being offered to Entitled Shareholders on a *pro-rata* basis;
- (c) the historical financial performance of the Group;
- (d) an assessment of the Issue Price; and
- (e) other relevant considerations.

5.1. Rationale of the Rights Issue and Use of Proceeds

The rationale of the Rights Issue and use of proceeds, as set out in section 3 of the Circular is reproduced in italics below:

"In view of the current market conditions and the Company's intent to progress the development of its projects, the Company believes that a rights issue is the most appropriate method of fund raising. The Company believes that the Rights Issue will enable it to continue to strengthen its balance sheet and enable the Company to invest in value creating opportunities in a timely manner.

The estimated net proceeds from the Rights Issue (after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$3.8 million) are expected to be approximately S\$165.6 million.

The Company intends to utilise the net proceeds from the Rights Issue, after deduction of the expenses incurred in connection with the issue of Rights Shares pursuant to the Rights Issue, in the following approximate manner:

<i>Purpose</i>	<i>S\$ million</i>	<i>US\$ million¹</i>	<i>Per cent. of net proceeds</i>
<i>Capital expenditures (including the exploration, appraisal and development of the Group's assets) . . .</i>	140.8	104.7	85.0
<i>General working capital</i>	24.8	18.5	15.0
Total	165.6	123.2	100.0

Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis, including using such net proceeds to temporarily reduce outstanding amounts under the 2014 Revolving Credit Facility, as the Directors may deem appropriate in the interests of the Company."

5.2. Rights Shares being offered to Entitled Shareholders on a pro-rata basis

Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their "nil-paid" Rights and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renouncee(s) or Purchaser(s), any unsold "nil-paid" Rights of Foreign Shareholders and any Rights Shares that are not otherwise allotted for whatever reason in accordance with the terms and conditions contained in the Offer Information Statement, the ARE, the PAL and (if applicable) the Articles of Association, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and the allotment of excess Rights Shares.

¹ Based on the exchange rate of US\$1.00 = S\$1.3444.

Accordingly, the Independent Shareholders will not be disadvantaged or prejudiced relative to the Concert Party Group in the allocation of their application for their entitlements of Rights Shares and excess Rights Shares pursuant to the Rights Issue.

5.3. Historical Financial Performance of the Group

The salient historical financial information of the Group for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 (“**FY2012**”, “**FY2013**” and “**FY2014**” respectively), and the financial period ended 31 March 2014 and 31 March 2015 (“**1Q2014**” and “**1Q2015**” respectively) is set out below:

Income Statement (US\$'000)	Audited			Unaudited	
	FY2012	FY2013	FY2014	1Q2014	1Q2015
Revenue	89,592.6	69,050.4	74,905.2	21,209.0	11,419.6
Gross profit/(loss)	36,863.3	25,463.6	19,669.0	8,741.2	(569.0)
EBITDAX ²	47,605.0	28,176.1	30,539.8	9,853.0	9,266.9
Profit/(Loss) before income tax	845.5	113.5	(39,278.9)	(14,486.8)	46,695.4
Profit/(Loss) attributable to owners of the Group	(17,672.9)	(12,645.1)	(50,370.5)	(17,970.8)	46,297.4

Balance Sheet (US\$'000)	Audited			Unaudited
	31 December 2012	31 December 2013	31 December 2014	31 March 2015
Current assets	172,307.7	315,748.9	197,701.8	148,222.6
Current liabilities	36,399.8	173,779.9	72,626.4	74,667.0
Working capital	135,907.9	141,969.0	125,075.4	73,555.6
Equity attributable to equity holders of the parent	278,533.7	466,832.8	418,967.0	469,744.9

² Earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses (“**EBITDAX**”) is a global measure of core profitability in the exploration and production sector. EBITDAX is a non-International Financial Reporting Standards (“**IFRS**”) measure and is not a measurement 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.

Cash Flow Statement (US\$'000)	Audited			Unaudited	
	FY2012	FY2013	FY2014	1Q2014	1Q2015
Net cash flows from/(used in) operating activities	14,779.4	16,244.3	6,319.0	(13,256.5)	(5,873.0)
Net cash flows used in investing activities	(32,722.8)	(122,058.4)	(344,627.2)	(21,723.9)	(26,945.8)
Net cash flows from/(used in) financing activities	105,318.0	231,800.3	138,242.3	(92,674.4)	20,758.8
Net increase/(decrease) in cash and cash equivalents	87,324.6	125,986.3	(200,066.0)	(127,654.8)	(12,060.0)
Cash and cash equivalents at end of financial year/period	121,901.0	247,809.7	47,575.3	120,130.2	35,443.5

Source: Annual reports of the Company for FY2013 and FY2014, and announcement of the Group's unaudited financial results for 1Q2015

We note the following:

- (a) the Group's revenue decreased by US\$20.5 million or 22.9% from US\$89.6 million in FY2012 to US\$69.1 million in FY2013 as working interest production decreased 13.8% to 2,916 boepd (2012: 3,384 boepd) mainly as a result of the anticipated cessation of gas and condensate production from the Kambuna field on 11 July 2013 and revenue from oil and gas production from B8/32 and B9A declined by approximately 14.6% to US\$63.4 million in 2013 (2012: US\$74.2 million). Revenue was also impacted by lower average selling prices for oil and gas compared with FY2012. EBITDAX decreased 40.8% to US\$28.2 million in FY2013 from US\$47.6 million in FY2012 mainly due to lower EBITDA in FY2013. Profit before tax decreased by US\$0.7 million, from US\$0.8 million in FY2012 to US\$0.1 million in FY2013 mainly as a result of the reduction in gross profit, an increase in general and administrative expenses mainly due to IPO costs and an increase in finance costs in relation to the senior guaranteed secured bonds due 2016 (the "**2016 Notes**"), and offset primarily by the increase in other income due to negative goodwill from the acquisition of Bangora field at Block 9, Bangladesh (the "**Negative Goodwill**");
- (b) the Group's revenue increased by US\$5.9 million or 8.5% from US\$69.1 million in FY2013 to US\$74.9 million in FY2014, mainly due to a 161% rise in production for the Group, which was driven by a full year's contribution from the Bangora gas field, and offset by the decline in global oil prices in the second half of FY2014. EBITDAX increased 8.4% from US\$28.2 million in FY2013 to US\$30.5 million in FY2014 mainly due to the increase in EBITDA, and offset by lower geological and geophysical expenses. Profit before tax decreased from a profit of US\$0.1 million in FY2013 to a loss of US\$39.3 million in FY2014 mainly as a result of the reduction in gross profit as oil prices decreased and cost of sales increased due to the full year production from the Bangora gas field, an increase in other operating expenses due to, and finance costs in relation to, the Group's debt restructuring for the redemption of the 2016 Notes and the issue of the S\$130.0 million three-year fixed rate bond in June 2014 and the issue of S\$200.0 million four-year fixed rate notes, and a decrease in other income due to the recognition of the Negative Goodwill in FY2013;

- (c) the Group's revenue decreased by US\$9.8 million or 46.2% from US\$21.2 million in 1Q2014 to US\$11.4 million in 1Q2015 as the fall in global oil prices resulted in a 50.8% decline in the average oil and liquids sales price realised by the Group from US\$108.04 per barrel in 1Q2014 to US\$53.20 per barrel in 1Q2015. EBITDAX decreased marginally by 5.9% from US\$9.9 million in 1Q2014 to US\$9.3 million in 1Q2015. Profit before tax increased from a loss of US\$14.5 million in 1Q2014 to profit of US\$46.7 million in 1Q2015 primarily attributed to a one-off gain, being provisional negative goodwill of US\$45.2 million as a result of the Group's acquisition of the working interest in the Block A Aceh production sharing contract, a US\$7.3 million gain from the transfer of working interest from Neon Energy for Block 105-110/04 and Block 120 in Vietnam, and lower other operating expenses due to, and finance costs in relation to, the Group's debt restructuring, and partially offset by a gross loss in 1Q2015 mainly due to the fall in oil prices;
- (d) the Group had positive working capital of US\$135.9 million, US\$142.0 million, US\$125.1 million and US\$73.6 million as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 March 2015 respectively;
- (e) the Group's equity attributable to equity holders of the parent had generally been increasing from US\$278.5 million as at 31 December 2012 to US\$469.7 million as at 31 March 2015;
- (f) the Group's net cashflow from operating activities remained a net inflow of US\$14.8 million, US\$16.2 million and US\$6.3 million in FY2012, FY2013 and FY2014 respectively. Net cashflow from operating activities increased by US\$1.5 million from US\$14.8 million in FY2012 to US\$16.2 million in FY2013 primarily due to an increase in trade payables and lower estimated tax payable in relation to the Group's interests in B8/32 and B9A. Net cashflow from operating activities decreased from US\$16.2 million in FY2013 to US\$6.3 million in FY2014 primarily driven by non-recurring expenses in relation to debt restructuring, increase in inventories, trade and other receivables as well as the decrease in trade and other payables. Net cashflow used in operating activities improved by US\$7.4 million to US\$5.9 million used in 1Q2015 compared to US\$13.3 million used in 1Q2014 as a result of improvements in operating cash flow before changes in working capital and a decrease in trade and other receivables, and offset by an increase in inventories and a decrease in trade and other payables; and
- (g) the Group recorded a decrease in cash and cash equivalents from US\$121.9 million at the end of FY2012 to US\$47.6 million as at the end of FY2014, and a decrease in cash and equivalents of US\$35.4 million as at the end of 1Q2015.

We also note the following commentary in relation to factors or events that may affect the Group in 2015 as set out in the Group's results announcement for 1Q2015.

"The outlook for the global oil market remains challenging. There is potential for price volatility to remain high in the near to medium terms due to heightening geopolitical tensions and/or uncertainty over the global economic outlook resulting in concerns over supply-demand dynamics. Likewise, any cost deflation in third-party services, equipment and materials is yet to be fully quantifiable.

As at the date of these Results and save for the fluctuations in commodity prices, availability of third-party services, equipment and materials, the Company is not aware of any other factor or event that may significantly affect the Group in the next reporting period and the next 12 months."

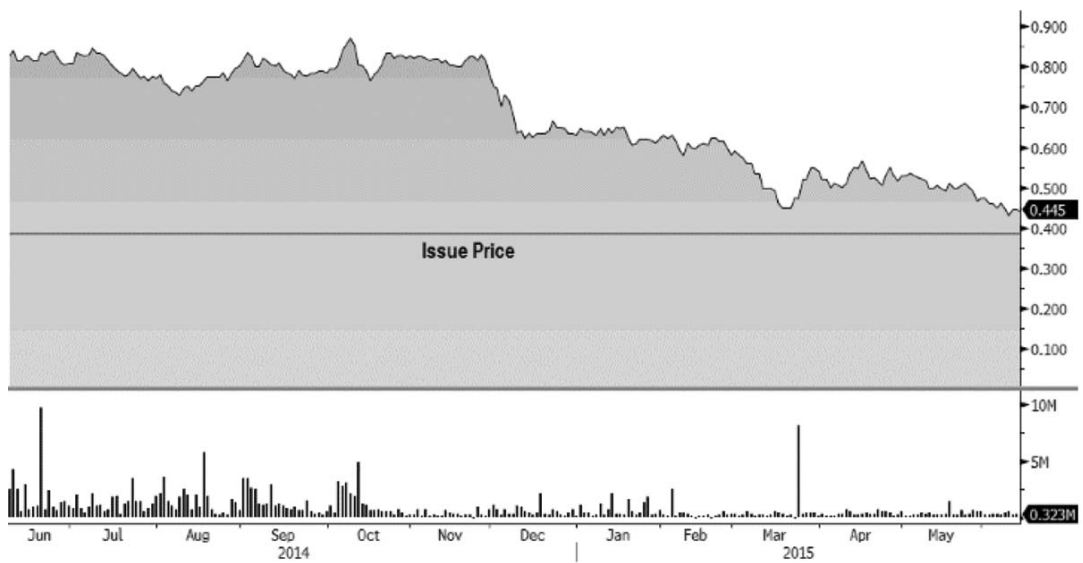
On 18 June 2015, the Company further announced that oil production from the Nong Yao field in the G11/48 licence in the Gulf of Thailand commenced from 3 initial wells on 17 June 2015.

5.4. Assessment of the Issue Price

In evaluating whether the Issue Price of S\$0.385 for each Rights Share is reasonable, we have considered the following factors:

5.4.1. Share price performance

A graphical representation of the daily closing prices in Singapore Dollars and volume traded of the Shares for the period commencing 12 months prior to the Announcement is set out below:



Source: Bloomberg

The trading statistics of the Shares during the 12-month period prior to the Announcement and up to the Latest Practicable Date are set out below:

	Lowest closing price (S\$)	Highest closing price (S\$)	Volume-weighted average price ("VWAP") (S\$)	Discount of Issue Price to VWAP (%)
Periods prior to the Announcement				
Last 12 months	0.430	0.870	0.733	47.48
Last 6 months	0.430	0.665	0.556	30.76
Last 3 months	0.430	0.565	0.490	21.43
Last one month	0.430	0.510	0.480	19.79
Last Market Day up to the Announcement ⁽¹⁾	0.440	0.445	0.437	11.90
As at the Latest Practicable Date	0.440	0.440	0.446	13.68

Source: Bloomberg

Note:

- (1) This refers to 12 June 2015, being the last Market Day on which the Shares were traded prior to the Announcement and up to the time of the trading halt, which was requested for on 15 June 2015 at 10.15am.

We note the following:

- (a) during the 12-month period prior to the Announcement, the closing prices of the Shares ranged between a low of S\$0.430 and a high of S\$0.870. The Issue Price represents a discount of 10.47% over the lowest closing price of the Shares of S\$0.430 and a significant discount of 55.75% to the highest closing price of S\$0.870 over the 12-month period prior to the Announcement;
- (b) the Issue Price represents a discount of 47.48%, 30.76%, 21.43% and 19.79% to the VWAP of the Shares for the 12-, 6-, 3- and one-month periods prior to the Announcement respectively;
- (c) the Issue Price represents a discount of 11.90% to the VWAP of the Shares of S\$0.437 on the last Market Day on which the Shares were traded prior to the Announcement and up to the time of the trading halt on 15 June 2015; and
- (d) the Issue Price represents a discount of 12.50% to the closing price of the Shares of S\$0.440 as at the Latest Practicable Date.

5.4.2. NAV of the Group

Based on the latest unaudited financial statements of the Group as at 31 March 2015, the unaudited NAV attributable to equity holders of the parent amounted to US\$469.7 million (or S\$644.6 million based on the closing exchange rate of US\$1.00 to S\$1.3723 on 31 March 2015), and is equivalent to S\$0.615 per Share based on 1,047,963,898 Shares as at 31 March 2015. Accordingly, the Issue Price represents a discount of 37.40% to the unaudited NAV per Share of S\$0.615 as at 31 March 2015.

The Directors have confirmed that, to the best of their knowledge and belief, (a) they are not aware of any circumstances which may cause the NAV of the Group as at the Latest Practicable Date to be materially different from that as at 31 March 2015, and (b) there are no contingent liabilities or impairment losses which are likely to have a material impact on the unaudited NAV of the Group as at 31 March 2015.

5.4.3. Market statistics of selected rights issues

In assessing the reasonableness of the Issue Price, we have reviewed the salient terms of selected rights issues of shares (excluding rights issues with warrants attached) by companies listed on the SGX-ST (the “**Comparable Transactions**”) and announced during the 6-month period prior to the Announcement and which were completed prior to the Latest Practicable Date.

The table below summarises the salient statistics of the Comparable Transactions:

Company	Date of Announcement	Terms of rights issue	Issue price of rights shares (S\$)	Theoretical ex-rights price (S\$)⁽¹⁾	Discount to theoretical ex-rights price (%)
Lasseters International Holdings Limited	29 December 2014	1 for 1	0.0600	0.0760	21.05
Lorenzo International Limited	30 December 2014	1 for 2	0.0700	0.0860	18.60
Swiber Holdings Limited	30 December 2014	1 for 2	0.1500	0.2467	39.20
Del Monte Pacific Limited	30 January 2015	493 for 1000	0.3250	0.4221	23.00
China Fishery Group Limited	11 February 2015	4 for 5	0.1730	0.2213	21.83
GKE Corporation Limited	27 February 2015	2 for 5	0.0700	0.0736	4.89
Mandarin Oriental International Limited	5 March 2015	1 for 4	1.7275 ⁽²⁾	2.2868 ⁽²⁾	24.46
IEV Holdings Limited	27 March 2015	1 for 2	0.0700	0.0967	27.61
				High	39.20
				Mean	22.58
				Median	22.42
				Low	4.89
Company	15 June 2015	42 for 100	0.385	0.427	9.89⁽³⁾

Sources: Bloomberg, announcements, circulars and/or offer information statements of the respective companies and SAC Capital's computations

Notes:

- (1) Computed based on the respective last transacted price on a full trading day immediately prior to the announcement of the rights issue.
- (2) The issue price of US\$1.26 and the closing price of US\$1.76 on 5 March 2015 were converted to Singapore dollars based on the closing exchange rate of US\$1.00 to S\$1.371 on 5 March 2015, being the day of the announcement of the rights issue by Mandarin Oriental International Limited.
- (3) Differences in the discount to theoretical ex-rights price of 9.89% and the tabulated discount to theoretical ex-rights price based on the listed amounts in the table are due to rounding.

We note that the discount of the Issue Price to the theoretical ex-rights price of the Shares of 9.89% is:

- (a) within the range of corresponding discounts for the Comparable Transactions of between 4.89% and 39.20%; and
- (b) below the corresponding mean and median discounts for the Comparable Transactions of 22.58% and 22.42% respectively.

Shareholders should note that the terms of the Comparable Transactions are unique and that these companies may not be identical to the Group in terms of business activities, size of operations, market capitalisation, asset base, risk profile, track record, future prospects and other relevant criteria. Further, the list of Comparable Transactions is by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison between the terms of the Rights Issue and the Comparable Transactions serves as an illustrative guide only.

5.5. Other Relevant Considerations

5.5.1. The Rights Issue being conditional

Shareholders should note that the Rights Issue is conditional upon, *inter alia*, the Independent Shareholders voting in favour of the Whitewash Resolution and the Sub-underwriting Resolution. Accordingly, in the event that the Whitewash Resolution and Sub-underwriting Resolution are not passed by the Independent Shareholders, the Rights Issue will not take place.

5.5.2. Financial effects of the Rights Issue

The financial effects of the Rights Issue on the Group have been set out in section 5 of the Circular for illustrative purposes only and are based on the audited consolidated financial statements of the Group for FY2014 and/or the unaudited consolidated financial statements of the Group for 1Q2015, and certain assumptions as detailed in section 5 of the Circular.

We note the following:

- (a) the number of issued Shares and the issued and paid-up share capital of the Group would increase pursuant to the Rights Issue;
- (b) the NTA per Share would decrease pursuant to the Rights Issue mainly due to the issue of forty-two (42) Rights Shares for every one hundred (100) existing Shares and the Issue Price being lower than the NTA per Share prior to the Rights Issue;

- (c) there would be an improvement in the gearing of the Group pursuant to the Rights Issue; and
- (d) the Rights Issue would have a dilutive impact on the LPS of the Group for FY2014.

5.5.3. Potential dilution effect on the Independent Shareholders arising from the Rights Issue

The Rights Issue will not result in any shareholding dilution of the Independent Shareholders (other than KrisEnergy Holdings) in the Company if all Independent Shareholders (other than KrisEnergy Holdings) subscribe for their full entitlements of Rights Shares under the Rights Issue. A dilution impact will only occur for the Independent Shareholders (other than KrisEnergy Holdings) who do not subscribe for their full entitlements of Rights Shares under the Rights Issue.

As at the Latest Practicable Date, the Devan International holds a shareholding interest of 31.35% in the Company.

The potential changes in the shareholding structure of the Company assuming (a) all Shareholders (other than KrisEnergy Holdings) subscribe for their Rights entitlements, KrisEnergy Holdings subscribes for 87,298,701 Rights Shares and pursuant to the Sub-underwriting Agreement, Devan International acquires the remaining Underwritten Rights Shares, being the balance of KrisEnergy Holding's Rights entitlements amounting to 111,448,058 Rights Shares ("**Scenario 1**"), and (b) none of the Independent Shareholders (excluding KrisEnergy Holdings) subscribe for their Rights entitlements, KrisEnergy Holdings subscribes for 87,298,701 Rights Shares, and Devan International subscribes for its Rights entitlements pursuant to the Irrevocable Undertaking and acquires the Underwritten Rights Shares in accordance to the Sub-underwriting Agreement ("**Scenario 2**"), are as follows:

	- Before the Rights Issue -		----- After the Rights Issue -----			
	As at the		----- Scenario 1 -----		----- Scenario 2 -----	
	Latest Practicable Date		No. of Shares	%	No. of Shares	%
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Devan Holding Group						
Devan International	328,536,000	31.35	577,969,177	38.84	681,382,136	45.79
Independent Shareholders³						
KrisEnergy Holdings	473,206,568	45.15	560,505,269	37.66	560,505,269	37.66
Shareholders other than KrisEnergy Holdings	246,221,330	23.50	349,634,289	23.50	246,221,330	16.55
Total	1,047,963,898	100.00	1,488,108,735	100.00	1,488,108,735	100.00

³ Independent Shareholders are Shareholders, other than the Concert Party Group and parties not independent of the Concert Party Group, who are deemed to be independent for the purposes of voting on the Whitewash Resolution.

Pursuant to the Rights Issue, the Devan Holding Group may potentially hold up to an aggregate of approximately 45.79% of the enlarged issued share capital of the Company. Correspondingly, the aggregate shareholding interests of the Independent Shareholders' (other than KrisEnergy Holdings) could potentially be diluted to 16.55% from 23.50% as at the Latest Practicable Date following the completion of the Rights Issue.

Such an event may result in the Company being in a relatively less favourable position in the context of interest from potential parties seeking control of the Company or who may have intentions to acquire a significant interest or control of the Company, by virtue of the aggregate controlling interest held by the Devan Holding Group after the Rights Issue.

5.5.4. Implications of approval of the Whitewash Resolution

Independent Shareholders should note that:

- (a) by voting for the Whitewash Resolution, they will be waiving their rights to receive a general offer from the Devan Holding Group at the highest price paid by the Devan Holding Group for Shares in the past six (6) months preceding the commencement of the Rights Issue which they would have otherwise been obliged to make for the Shares pursuant to Rule 14 of the Code; and
- (b) the Rights Issue is conditional upon the Independent Shareholders voting in favour of, amongst others, the Whitewash Resolution, and that the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution are each subject to and conditional upon the passing of each of the other Ordinary Resolutions (save for the Share Capital Resolution). Accordingly, in the event that the Whitewash Resolution is not passed by the Independent Shareholders, the Rights Issue will not take place.

5.5.5. Support from Devan International

As at the date of the Irrevocable Undertakings, Devan International held 328,536,000 Shares in the capital of the Company, representing approximately 31.35% of the total number of issued Shares of the Company. Devan International had on 15 June 2015, irrevocably undertaken to the Company that it will, *inter alia*, subscribe and pay for its full entitlement of 137,985,120 Rights Shares under the Rights Issue pursuant to its Undertaking. In addition, Devan International has entered into the Sub-underwriting Agreement with the Lead Manager and Underwriter pursuant to which it has agreed, on the terms and subject to the conditions of the Sub-underwriting Agreement, to subscribe for the Underwritten Rights Shares to the extent that such Rights Shares are not successfully subscribed for under the Rights Issue.

We believe that the above Irrevocable Undertaking from Devan International and Devan International's entry into the Sub-underwriting Agreement with the Lead Manager and Underwriter underscores its support for the Rights Issue and demonstrates its commitment to and confidence in the prospects of the Group.

5.5.6. No material changes to the existing management of the Group

We understand from the Company that following the completion of the Rights Issue, it is not envisaged that there will be material changes to the existing management of the Group which may affect the operation of the Group's business activities.

5.5.7. Alternative fund-raising options

We understand from the Company that the Directors have considered other fund-raising options prior to proceeding with the Rights Issue. Having considered that (i) bank borrowings and/or debt instruments from financial institutions will result in an increase in the Group's gearing as well as the incurrence of additional interest liabilities; and (ii) other fund-raising options such as private share placements would not be on a *pro-rata* basis that will provide the Shareholders with an opportunity to maintain their proportionate equity in the Company, the Directors have decided to proceed with the Rights Issue.

5.5.8. Board's Confirmation on Sub-Underwriting Arrangements

We have noted that the bases in which the Board of Directors (save for Loh Chin Hua and Choo Chiau Beng who have abstained as they are nominees of Keppel) had considered when providing their view that the terms of the Sub-underwriting Agreement (which include the payment of Sub-underwriting Commission by the Lead Manager and Underwriter to Devan International Limited) are fair and not prejudicial to the Company and to Shareholders (excluding Devan International) included, *inter alia*, as follows,

- (a) the written confirmation from the Lead Manager and Underwriter to the Board of Directors that they will not underwrite the Rights Issue without the Sub-underwriting Agreement being put in place, and that the discussion on the Sub-underwriting Commitment was initiated by the Lead Manager and Underwriter and not by Devan International; and
- (b) the Sub-underwriting Commission to be paid by the Lead Manager and Underwriter to Devan International (i) is not higher than the Underwriting Commission payable to the Lead Manager and Underwriter, (ii) is paid by the Lead Manager and Underwriter out of their Underwriting Commission; and (iii) does not lead to an additional cost to the Company over and above the Underwriting Commission payable to the Lead Manager and Underwriter.

6. OUR OPINION AND ADVICE

In arriving at our opinion in respect of the Whitewash Resolution, we have taken into account the following key considerations:

- (a) the rationale for the Rights Issue is to strengthen its balance sheet and enable the Company to invest in value creating opportunities in a timely manner;
- (b) the proposed use of proceeds from the Rights Issue, mainly being for capital expenditures (including the exploration, appraisal and development of the Group's assets) and general working capital;
- (c) the Rights Shares being offered to Entitled Shareholders on a *pro-rata* basis;
- (d) the historical financial performance and condition of the Group, namely, (i) the Group's revenue had decreased from US\$89.6 million in FY2012 to US\$69.1 million in FY2013 and increased to US\$74.9 million in FY2014; (ii) the Group's EBITDAX decreased from US\$47.6 million in FY2012 to US\$28.2 million in FY2013 and increased to US\$30.5 million in FY2014; (iii) the Group's profit before tax had decreased from US\$0.8 million in FY2012 to US\$0.1 million in FY2013 and decreased to a loss of US\$39.3 million in FY2014; (iv) the Group's

revenue decreased from US\$21.2 million in 1Q2014 to US\$11.4 million in 1Q2015, EBITDAX decreased from US\$9.9 million in 1Q2014 to US\$9.3 million in 1Q2015, and profit before tax increased from a loss of US\$14.5 million in 1Q2014 to a profit of US\$46.7 million in 1Q2015; (v) the Group recorded positive working capital of US\$135.9 million, US\$142.0 million, US\$125.1 million and US\$73.6 million as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 March 2015 respectively; and (vi) the Group recorded net cashflows from operating activities of US\$14.8 million, US\$16.2 million and US\$6.3 million in FY2012, FY2013 and FY2014 and a net cashflow used in operating activities of US\$13.3 million and US\$5.9 million, in 1Q2014 and 1Q2015 respectively;

- (e) an assessment of the Issue Price of the Rights Shares as follows:
 - (i) the Issue Price represents a discount of 10.47% over the lowest closing price of the Shares of S\$0.430 and a significant discount of 55.75% to the highest closing price of S\$0.870 over the 12-month period prior to the Announcement;
 - (ii) the Issue Price represents a discount of 47.48%, 30.76%, 21.43% and 19.79% to the VWAP of the Shares for the 12-, 6-, 3- and one-month periods prior to the Announcement respectively;
 - (iii) the Issue Price represents a discount of 11.90% to the VWAP of the Shares of S\$0.437 on the last Market Day on which the Shares were traded prior to the Announcement and up to the time of the trading halt on 15 June 2015; and
 - (iv) the Issue Price represents a discount of 12.50% to the closing price of the Shares of S\$0.440 as at the Latest Practicable Date;
- (f) a comparison with the unaudited NAV of the Group, namely, that the Issue Price represents a discount of 37.40% to the unaudited NAV per Share of S\$0.615 as at 31 March 2015;
- (g) a comparison with the market statistics of the selected rights issues, namely, that the discount of the Issue Price to the theoretical ex-rights price of the Shares of 9.89% is (i) within the range of corresponding discounts of the Comparable Transactions of between 4.89% and 39.20%; and (ii) below the corresponding mean and median discounts for the Comparable Transactions of 22.58% and 22.42% respectively;
- (h) other relevant considerations as follows:
 - (i) the Rights Issue, the Whitewash Resolution and the Sub-Underwriting Resolution being conditional;
 - (ii) the financial effects of the Rights Issue, namely, that (aa) the issued share capital of the Company would increase pursuant to the Rights Issue, (bb) the NAV per Share of the Group would decrease pursuant to the Rights Issue, (cc) the improvement to the gearing of the Group pursuant to the Rights Issue, and (dd) the Rights Issue having a dilutive impact on the LPS of the Group for FY2014, based on the assumptions set out in section 5 of the Circular;
 - (iii) the potential dilution effect on the Independent Shareholders arising from the Rights Issue;
 - (iv) the implications of approval of the Whitewash Resolution;

- (v) the Irrevocable Undertaking from Devan International and Devan International's entry into the Sub-underwriting Agreement with the Lead Manager and Underwriter underscores its support for the Rights Issue and its commitment to and confidence in the prospects of the Group;
- (vi) no material changes to the existing management of the Group following the Rights Issue;
- (vii) alternative fund-raising options considered by the Directors; and
- (viii) the Board of Directors bases of confirmation that the terms of the Sub-underwriting Agreement are fair and not prejudicial to the Company and to Shareholders (excluding Devan International) included the written confirmation from the Lead Manager and Underwriter to the Board of Directors that they will not underwrite the Rights Issue without the Sub-underwriting Agreement being put in place and that the Sub-underwriting Commission does not lead to an additional cost to the Company over and above the Underwriting Commission payable to the Lead Manager and Underwriter.

Having considered the above, we are of the opinion that the Whitewash Resolution, when considered in the context of the Rights Issue (which terms are fair and reasonable), is not prejudicial to the interests of the Independent Shareholders. Accordingly, we advise the Independent Directors to recommend the Independent Shareholders vote in favour of the Whitewash Resolution.

Our opinion and advice is addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Whitewash Resolution. The recommendation to be made by them to the Independent Shareholders shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital Private Limited in each specific case, except for the forthcoming EGM and for the purposes of the Whitewash Resolution.

Our opinion and advice is governed by, and construed in accordance with, the laws of Singapore. Our opinion and advice is strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Alicia Kwan
Partner

APPENDIX 3 REVIEW OF PAST PERFORMANCE

1. FINANCIAL RESULTS

Set out below are the audited consolidated income statements of the Group for FY2012, FY2013 and FY2014 and the unaudited consolidated income statements of the Group for 1Q2014 and 1Q2015.

	FY2012	FY2013	FY2014	1Q2014	1Q2015
	Audited			Unaudited	
	US\$				
Revenue	89,592,582	69,050,403	74,905,229	21,209,011	11,419,584
Cost of sales	<u>(52,729,286)</u>	<u>(43,586,834)</u>	<u>(55,236,207)</u>	<u>(12,467,795)</u>	<u>(11,988,551)</u>
Gross profit	36,863,296	25,463,569	19,669,022	8,741,216	(568,967)
Other income	1,865,296	16,235,154	9,330,854	1,428,999	59,607,758
General and administrative expenses	(24,294,905)	(31,736,435)	(35,718,914)	(8,225,626)	(8,019,925)
Other operating (expenses)/income	(2,028,837)	1,631,311	(9,983,883)	(6,141,837)	(606,014)
Finance income	411,332	1,853,888	577,251	152,039	81,968
Finance costs	<u>(11,970,662)</u>	<u>(13,333,991)</u>	<u>(23,153,200)</u>	<u>(10,441,633)</u>	<u>(3,799,464)</u>
Profit/ (Loss) before tax	845,520	113,496	(39,278,870)	(14,486,842)	46,695,356
Tax (expense)/ credit	<u>(18,518,399)</u>	<u>(12,758,629)</u>	<u>(11,091,626)</u>	<u>(3,484,026)</u>	<u>474,794</u>
(Loss)/ Profit for the year/ period	(17,672,879)	(12,645,133)	(50,370,496)	(17,970,868)	47,170,150
Attributable to:					
Owners of the Group	(17,672,879)	(12,645,133)	(50,370,496)	(17,970,868)	46,297,382
Non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>872,768</u>
(Loss)/ Profit for the year/ period	(17,672,879)	(12,645,133)	(50,370,496)	(17,970,868)	47,170,150
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	(64,809)	(79,567)	(164,523)	(26,844)	(94,682)
Items that will not be reclassified to profit or loss					
Re-measurement of defined benefit obligations	<u>—</u>	<u>—</u>	<u>(139,139)</u>	<u>—</u>	<u>—</u>
Total comprehensive income for the year/period	<u>(17,737,688)</u>	<u>(12,724,700)</u>	<u>(50,674,158)</u>	<u>(17,997,712)</u>	<u>47,075,468</u>
Attributable to:					
Owners of the Group	(17,737,688)	(12,724,700)	(50,674,158)	(17,997,712)	46,202,700
Non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>872,768</u>
Total comprehensive income for the year/period	<u>(17,737,688)</u>	<u>(12,724,700)</u>	<u>(50,674,158)</u>	<u>(17,997,712)</u>	<u>47,075,468</u>
(Loss)/ Profit per share attributable to owners of the Company (cents per share)					
Basic	(36)	(2)	(5)	(2)	4
Diluted	(36)	(2)	(5)	(2)	4

1Q2015 compared to 1Q2014

Revenue

Revenue for 1Q2015 decreased to US\$11.4 million, 46.2% lower than 1Q2014 as the fall in global oil prices resulted in a 50.8% decline to US\$53.20 per barrel, as compared to US\$108.04/bbl in 1Q2014, in the average oil and liquids sales price realised by the Group. Gas prices were less impacted by the volatility: the average realised gas price for B8/32 & B9A in 1Q2015 was US\$5.63/mcf, 9.0% lower than US\$6.19/mcf in 1Q2014. The gas price achieved at the Bangora gas field in Bangladesh was constant for both reporting periods at US\$2.32/mcf.

Working interest production in 1Q2015 averaged 7,699 boepd versus 8,097 boepd in 1Q2014. Although lower than 1Q2014, it marked an increase compared with 7,082 boepd for the preceding three months ended 31 December 2014 as the Group began to reap the benefit from development well drilling in the B8/32 & B9A fields following installation of new platforms in 2014.

	<u>1Q2015</u>	<u>1Q2014</u>
Production volumes		
Oil and liquids (bopd)	1,350	1,547
Gas (mmcf)	<u>38.1</u>	<u>39.3</u>
Total (boepd)	<u>7,699</u>	<u>8,097</u>
Sales volumes		
Oil and liquids (bopd)	1,353	1,546
Gas (mmcf)	<u>36.8</u>	<u>38.3</u>
Total (boepd)	<u>7,490</u>	<u>7,932</u>
Average sales price		
Oil and liquids (US\$/bbl)	53.20	108.04
Gas — B8/32 and B9A (US\$/mcf)	5.63	6.19
Gas — Block 9 (US\$/mcf)	2.32	2.32

Cost of Sales

Cost of sales decreased to US\$12.0 million in 1Q2015 compared with US\$12.5 million in 1Q2014 due to lower Thai royalties paid as a result of the lower average realised selling prices for oil and gas.

The average lifting cost in 1Q2015 was US\$5.72/boe, a 15.3% increase compared with 1Q2014 due to higher operating costs and lower production. The Group remained focused on cost control and maximising production efficiencies, as evident in the Group's lifting costs, which have declined for the last two reporting periods and were 16.7% lower in 1Q2015 compared with US\$6.87/boe for the preceding three months ended 31 December 2014.

	<u>1Q2015</u>	<u>1Q2014</u>
Average lifting cost		
Oil, liquids and gas (US\$/boe)	5.72	4.96
Operating costs (US\$ million)	4.0	3.6
Total production (mmboe)	0.7	0.7

EBITDAX

Our Group's EBITDAX, which is a measure of the Group's ability to generate income from the Group's operations, decreased 5.9% to US\$9.3 million in 1Q2015 as compared to US\$9.9 million in 1Q2014.

	<u>1Q2015</u>	<u>1Q2014</u>
EBITDAX (US\$ million)	9.3	9.9
Finance costs (US\$ million)	(3.8)	(10.4)
Profit/ (Loss) before tax (US\$ million)	46.7	(14.5)
Tax expense (US\$ million)	0.5	(3.5)
Profit/ (Loss) after tax (US\$ million)	<u>47.2</u>	<u>(18.0)</u>

Other income

Other income was US\$59.6 million in 1Q2015 compared with US\$1.4 million in 1Q2014. The significant increase was mainly attributable to a one-off gain due to the recognition of provisional negative goodwill (US\$45.2 million) as a result of the completion on 12 January 2015 of the acquisition of Block A Aceh and the recognition of a US\$7.3 million gain from the transfer of working interest in Block 105-110/04 ("**Block 105**") and Block 120 from Neon Energy (Song Hong) Pty Ltd ("**Neon Energy**"). In addition, the Group recognised a partial gain on sale of US\$5.1 million in connection with assets held for sale and as recognised at 31 December 2014.

General and administrative expenses

General and administrative expenses decreased 2.5% to US\$8.0 million in 1Q2015 as compared to US\$8.2 million in 1Q2014. The decrease was primarily attributable to a decrease in employee benefits expenses.

Other operating expenses

Other operating expenses were US\$0.6 million in 1Q2015 compared with US\$6.1 million in 1Q2014 when the Group recognised a one-off, non-cash adjustment loss of US\$6.1 million, representing the net fair value adjustment of the embedded derivatives associated with the 2016 Notes which were redeemed in January 2014.

Finance income

Finance income decreased to US\$0.1 million in 1Q2015 as compared to US\$0.2 million in 1Q2014 in line with lower average cash balances.

Finance costs

Finance costs amounted to US\$3.8 million in 1Q2015 as compared to US\$10.4 million in 1Q2014. Finance costs were higher in 1Q2014 as a result of one-time costs relating to the redemption of the 2016 Notes and upfront fees associated with the establishment of the 2014 Revolving Credit Facility.

Profit / loss before tax

The Group recorded a profit before tax of US\$46.7 million in 1Q2015 compared with a loss before tax of US\$14.5 million in 1Q2014 due to the recognition of one-off gains from our acquisition of Block A Aceh and transfer of working interest for Block 105 and Block 120, which was offset by lower revenue.

Tax credit / expense

The Group recognised a tax credit of US\$0.5 million in 1Q2015 compared to a tax expense of US\$3.5 million in 1Q2014, in line with lower revenue recognised at B8/32 and B9A.

Profit / loss after tax

The Group recorded a profit after tax of US\$47.2 million in 1Q2015 compared with a loss of US\$18.0 million in 1Q2014 as a result of the above-mentioned factors.

In line with the divestment of an indirect 11% effective working interest in G10/48, the Group recognised in 1Q2015 profit after tax attributable to a non-controlling interest of US\$0.9 million.

FY2014 compared to FY2013**Revenue**

Audited consolidated net revenue increased 8.5% to US\$74.9 million in FY2014, as compared to US\$69.1 million in FY2013 as a result of a 161% rise in production for the Group, which was driven by a full year's contribution from the Bangora gas field. However, the fall in global oil prices in the second half of 2014 resulted in a 7.7% decline in the average selling price for oil and liquids to US\$100.93/bbl. The average gas price achieved from the Group's gas assets in Thailand decreased 4.2% to US\$5.80/mcf due to penalties arising from production falling below the daily contracted volume in the third and fourth quarters of 2014. Future gas production in B8/32 and B9A will be boosted by two platforms to be commissioned by mid-2015.

	<u>FY2014</u>	<u>FY2013</u>
Sales of crude oil	49.8	54.7
Sales of gas	25.1	14.4
Revenue (US\$ million)	<u>74.9</u>	<u>69.1</u>
Production volumes		
Oil and liquids (bopd)	1,396	1,366
Gas (mmcf)	37.3	9.3
Total (boepd)	<u>7,612</u>	<u>2,916</u>
Sales volumes		
Oil and liquids (bopd)	1,395	1,366
Gas (mmcf)	36.3	8.6
Total (boepd)	<u>7,448</u>	<u>2,801</u>
Average sales price		
Oil and liquids (US\$/bbl)	100.93	109.40
Gas ¹ (US\$/mcf)	5.80	6.06

¹ Average realised gas sales price from B8/32 and B9A in Thailand, and the average realised gas sales price from Block 9 in Bangladesh remains fixed at US\$2.32/mcf.

Cost of Sales

Cost of sales increased 26.6% to US\$55.2 million in FY2014 as compared to US\$43.6 million in FY2013 primarily due to higher DDA charges as well as an increase in operating costs.

DDA charges increased to US\$28.7 million in FY2014 as compared to US\$19.4 million in FY2013 as a result of the contribution from the Bangora gas field and a non-recurring adjustment associated with decommissioning costs at the Glagah-Kambuna TAC. Operating costs increased to US\$19.2 million in 2014 in FY2014 as compared to US\$16.1 million in FY2013 due to the recognition of a full year of production from the Bangora gas field. The increase in cost of sales was partially offset by lower Thai petroleum special remuneratory benefits and royalties paid as a result of a 5.2% year-on-year decrease in production from B8/32 and B9A during 2014.

The production contribution in FY2014 from the Bangora field led to a 54.4% decrease in the Group-wide average lifting cost to US\$6.91/boe as compared to US\$15.14/boe in FY2013. The Bangora gas field's low cost of production made it the Group's highest margin contributor in the Group, even with the relatively low realised sales price of US\$2.32/mcf.

	<u>FY2014</u>	<u>FY2013</u>
Average lifting cost		
Oil, liquids and gas (US\$/boe)	6.91	15.14
Operating costs (US\$ million)	19.2	16.1
Total production (mmboe)	2.8	1.1

EBITDAX

The Group's EBITDAX increased 8.4% to US\$30.5 million in FY2014 as compared to US\$28.2 million in FY2013 and was in line with the Group's expectations.

	<u>FY2014</u>	<u>FY2013</u>
EBITDAX (US\$ million)	30.5	28.2
Finance costs (US\$ million)	(23.2)	(13.3)
(Loss)/ profit before tax (US\$ million)	(39.3)	0.1
Tax expense (US\$ million)	(11.1)	(12.8)
Loss after tax (US\$ million)	<u>(50.4)</u>	<u>(12.6)</u>

Finance Costs

In FY2014, the Group implemented and executed a defined debt capital markets strategy to take advantage of the lower interest rate environment and the significant appetite for oil and gas debt securities. Although finance costs increased to US\$23.2 million in FY2014 as compared to US\$13.3 million in FY2013, the Group significantly reduced its cost of borrowing from 10.5% to approximately 5.0% whilst increasing total borrowings to support potentially accretive acquisitions as well as progress the development of the Group's projects. Higher finance costs were attributable to one-time expenses of US\$8.2 million relating to the redemption of the 2016 Notes and fees of US\$4.7 million associated with the establishment of the 2014 Revolving Credit Facility, the MTN Programme and the ensuing two Notes issuances. Interest expense was US\$7.4 million as a result of borrowings amounting to US\$273.9 million in FY2014.

Loss/Profit before Tax

The Group recorded a loss before tax of US\$39.3 million in FY2014 as compared to a profit before tax of US\$0.1 million in FY2013 as a result of a decrease of US\$13.2 million in gross profit contribution from the Glagah-Kambuna TAC, which ceased production in 2013, and a reduction in production and associated realised gas prices from B8/32 and B9A. In addition, the Group incurred non-recurring expenses associated with debt restructuring.

Capital Expenditure and Capital Investment

In accordance with International Financial Reporting Standards (as defined herein), the Group reclassified in FY2014 its capital expenditure for exploration, appraisal and development. Exploration and appraisal expenditure includes, among others: spending on exploration and appraisal wells; geological and geophysical activities; general and administrative costs; field development costs; platform and facility costs; and pipeline and equipment costs as they relate to non-producing assets. This includes development activities in relation to Nong Yao in G11/48 and Wassana in G10/48. Expenditures in the development classification relate to cost incurred in producing assets, namely B8/32, B9A and Block 9.

Exploration and appraisal expenditure increased 27.8% to US\$82.6 million in FY2014 as compared to US\$64.6 million in FY2013, which was primarily attributed to seismic acquisition amounting to US\$24.6 million in the Udan Emas PSC, Sakti PSC and Tanjung Aru PSC in Indonesia; exploration

wells drilled and capitalised in the G10/48 and G11/48 concessions; and ongoing development activities for the Wassana and Nong Yao oil fields. In addition, the Group spent US\$66.2 million in 2014 to secure and commence refurbishment of the mobile offshore production unit (“MOPU”) for the Wassana development.

Development expenditure increased 77.3% to US\$24.5 million in FY2014 as compared to US\$13.8 million in FY2013. During 2014, the Group's Working Interest share of development expenditure in B8/32 and B9A amounted to US\$22.8 million, representing its participation in the drilling of 55 development wells and the installation of two new platforms that were brought on stream during the year.

The acquisition of additional working interests and operatorships in G10/48 and Cambodia Block A amounted to US\$167.2 million.

	FY2014	FY2013
	(US\$ million)	
Exploration and appraisal	82.6	64.6
Development	24.5	13.8
Acquisitions	167.2	41.4
Others	70.3	2.3
Total	344.6	122.1

Loans and Borrowings

Following redemption of the 2016 Notes in January 2014, the Group's loans and borrowings at 31 December 2014 amounted to US\$311.1 million as compared to US\$127.3 million as at 31 December 2013 comprising the drawn amount of the 2014 Revolving Credit Facility and the 2017 Notes and 2018 Notes.

	FY2014	FY2013
	(US\$ million)	
Amount repayable in one year or less	25.1	127.3
Amount repayable after one year	286.0	—

Cash

As a result of increased development activities, net cash flow from operations declined 61.1% to US\$6.3 million as compared to US\$16.2 million in FY2013. This was primarily driven by non-recurring expenses in relation to debt restructuring, increase in inventories, trade and other receivables as well as the decrease in trade and other payables.

Net cash flow used in investing activities increased 182.3% to US\$344.6 million from US\$122.1 million in FY2013 following the acquisition of the additional working interests in G10/48 and Cambodia Block A and continued investment in portfolio growth through exploration, appraisal and development activities.

Net cash flow from financing activities decreased 40.4% to US\$138.2 million from US\$231.8 million in FY2013. The Group fully redeemed the 2016 Notes and returned US\$126.6 million to bondholders, which comprised principal repayment, a redemption premium and accrued interest. The Group issued the 2017 Notes and 2018 Notes and, following a series of US dollar swap transactions, realised gross proceeds of US\$263.9 million.

	FY2014	FY2013
	(US\$ million)	
Net cash flow from operating activities	6.3	16.2
Net cash flow used in investing activities	(344.6)	(122.1)
Net cash flow from financing activities	138.2	231.8
Cash at banks and on hand	47.6	247.8
Short-term structured deposits	3.7	4.0
Cash and bank balances	51.3	251.8

FY2013 compared to FY2012

Revenue

Audited consolidated revenue decreased 21.5% to US\$69.1 million in FY2013 as compared to US\$89.6 million in FY2012. The Group's working interest production decreased 13.8% to 2,916 boepd in FY2013 as compared to 3,384 boepd in FY2012, which was partially in line with expectations as a result of the anticipated cessation of gas and condensate production from the Kambuna field on 11 July 2013. Revenue from oil and gas production from B8/32 and B9A declined by approximately 14.6% to US\$63.4 million in FY2013 as compared to US\$74.2 million in FY2012, primarily due to production disruptions, including unplanned shutdowns, which were prolonged by bad weather. Revenue in FY2013 was also impacted by lower average selling prices for oil and gas as compared to FY2012.

	FY2013	FY2012
Sales of crude oil	54.7	67.4
Sales of gas	14.4	22.2
Revenue (US\$ million)	69.1	89.6
Production volumes		
Oil and liquids (bopd)	1,366	1,679
Gas (mmcf)	9.3	10.2
Total (boepd)	2,916	3,384
Sales volumes		
Oil and liquids (bopd)	1,366	1,679
Gas (mmcf)	8.6	9.5
Total (boepd)	2,801	3,264
Average sales price		
Oil and liquids (US\$/bbl)	109.40	114.19
Gas (US\$/mcf)	4.91	6.51

Cost of sales

Cost of sales decreased by 17.3% to US\$43.6 million during FY2013 as compared to US\$52.7 million in FY2012, primarily attributed to lower Thai petroleum special remuneratory benefits and royalties paid, as well as lower operating costs incurred during FY2013.

The Group incurred lower operating cost in FY2013 as a result of production ceasing at the Kambuna field and reduced charges for DDA. DDA charges decreased 11.4% to US\$20.0 million in FY2013 as compared to US\$22.6 million in FY2012 due to lower capital expenditure at the Glagah-Kambuna TAC, which was offset by higher expenditure from drilling activities at B8/32 and B9A, where the Group participated in the drilling of 57 wells in FY2013 as compared to 53 wells in FY2012.

The Group's operating cost and production both decreased by approximately 14.0% in FY2013, which resulted in the Group's lifting cost remaining flat year-on-year at US\$15.14/boe for FY2013 as compared to US\$15.13/boe in FY2012.

	<u>FY2013</u>	<u>FY2012</u>
Average lifting cost		
Oil, liquids and gas (US\$/boe)	15.14	15.13
Operating costs (US\$ million)	16.1	18.7
Total production (mboe)	1.1	1.2

EBITDAX

EBITDAX decreased 41.2% to US\$28.2 million in FY2013 as compared to US\$47.6 million in FY2012.

	<u>FY2013</u>	<u>FY2012</u>
EBITDAX (US\$ million)	28.2	47.6
Finance costs (US\$ million)	(13.3)	(12.0)
Profit before tax (US\$ million)	0.1	0.8
Tax expense (US\$ million)	(12.8)	(18.5)
Loss after tax (US\$ million)	(12.6)	(17.7)

Finance costs

Finance costs increased 11.0% to US\$13.3 million in FY2013 as compared to US\$12.0 million in FY2012 due primarily to the successful completion of the tap issue in May 2013 in relation to the 2016 Notes, which added US\$35.0 million to the face value of the 2016 Notes.

Tax expense

Tax expense decreased 31.1% to US\$12.8 million in FY2013 as compared to US\$18.5 million in FY2012, primarily due to lower revenue from Kambuna, B8/32 and B9A.

Capital expenditures and capital investments

Exploration and development expenditures include, among others, exploration and appraisal well expenditures, geological and geophysical activities, general and administrative costs, field development costs, platform and facility costs, and pipeline and equipment expenditures. Capital investments include the acquisition by the Group of shares in third-party entities.

In FY2013, the Group increased spending on capital projects and investments by 272.3% to US\$122.1 million as compared to US\$32.8 million in FY2012, which was mainly attributable to the Group's exploration and appraisal activities in Indonesia and Vietnam and the Group's acquisition of Tullow Bangladesh Ltd.

In FY2013, the Group spent US\$64.6 million as compared to US\$16.8 million in FY2012 on exploration and appraisal activities. The share of the Group's expenditure from its successful appraisal and exploration activities in the Bulu PSC and Kutai PSC amounted to US\$11.7 million and US\$11.5 million, respectively, and the share of its well and drilling costs in Block 105 and Block 120 amounted to US\$13.4 million and US\$14.1 million, respectively.

The Group's share of development drilling costs at B8/32 and B9A, and Block 9 amounted to US\$12.1 million and US\$1.6 million, respectively in FY2013.

	<u>FY2013</u>	<u>FY2012</u>
	(US\$ million)	
Exploration and appraisal	64.6	16.8
Development	13.8	15.5
Acquisitions	41.4	—
Others	<u>2.3</u>	<u>0.4</u>
Total	<u>122.1</u>	<u>32.8</u>

Capital management

On 19 July 2013, the Company listed all its existing shares and issued 246,154,000 new shares by way of the IPO on the Main Board of SGX-ST where it raised US\$200.5 million (approximately S\$254.6 million) in net proceeds.

On 2 May 2013, the Group increased the size of its revolving credit facility from US\$30.0 million to US\$42.5 million, which was undrawn as at 31 December 2013. The Group successfully completed the US\$35.0 million tap issue of the 2016 Notes on 31 May 2013. On 30 January 2014, the outstanding 2016 Notes were fully redeemed at 105.25% of the principal amount, being US\$126.6 million (which includes accrued interest of US\$0.3 million).

As at 31 December 2013, the Group's unutilised sources of liquidity was US\$290.3 million and its total gearing was 26.0% as compared to 29.0% as at 31 December 2012. The Group continued to be in a net cash position, with net cash amounting to US\$132.7 million in FY2013 as compared to US\$48.8 million in FY2012.

Loans and Borrowings

The Group's borrowings as at 31 December 2013 consisted of the 2016 Notes amounting to US\$119.1 million. Following the Group's redemption of the 2016 Notes on 30 January 2014, the total outstanding amounts repayable to bondholders within the year was US\$127.3 million, which includes repayment of principal and accrued interest.

	<u>FY2013</u>	<u>FY2012</u>
	(US\$ million)	
Amount repayable in one year or less	127.3	9.9
Amount repayable after one year	—	106.9

Cash

The Group's net cash flow from operating activities increased 9.9% to US\$16.2 million in FY2013 as compared to US\$14.8 million in FY2012, primarily due to an increase in trade payables and lower estimated tax payable in relation to the Group's interests in B8/32 and B9A.

The Group's net cash flow generated from financing activities increased 120.1% to US\$231.8 million in FY2013 as compared to US\$105.3 million in FY2012, mainly attributable to receipt of net proceeds of US\$200.5 million from the IPO and proceeds from the tap issue of US\$36.8 million, which were offset by the payment of bond interest amounting to US\$9.4 million.

	<u>FY2013</u>	<u>FY2012</u>
	(US\$ million)	
Net cash flows from operating activities	16.2	14.8
Net cash flows used in investing activities	(122.1)	(32.8)
Net cash flows from financing activities	231.8	105.3
Cash at banks and on hand	247.8	121.9
Short-term structured deposits	4.0	8.0
Cash and bank balances	<u>251.8</u>	<u>129.9</u>

2. STATEMENT OF FINANCIAL POSITION

Set out below are the audited consolidated balance sheets of the Group as at 31 December 2012, 2013 and 2014 and the unaudited consolidated balance sheets of the Group as at 31 March 2015.

	As at 31 December 2012	As at 31 December 2013	As at 31 December 2014	As at 31 March 2015
	Audited			Unaudited
	US\$			
ASSETS				
Non-current assets				
Exploration and evaluation assets	135,653,818	200,261,113	402,778,672	529,605,777
Oil and gas properties	104,691,623	140,596,081	136,334,779	131,122,764
Other property, plant and equipment	254,769	332,225	1,161,203	7,543,130
Intangible assets	43,890,735	43,890,735	91,452,905	91,452,904
Embedded derivatives	2,864,000	6,137,226	—	—
Investment securities	182,057	182,057	—	216,000
	287,537,002	391,399,437	631,727,559	759,940,575
Current assets				
Inventories	6,054,728	7,027,163	14,670,074	31,052,171
Trade and other receivables	34,743,446	54,149,712	65,165,491	62,926,738
Prepayments	1,108,574	2,762,318	1,545,274	2,316,072
Other current assets	500,000	—	—	—
Cash and bank balances	129,900,954	251,809,697	51,334,088	38,443,510
	172,307,702	315,748,890	132,714,927	134,738,491
Assets held for sale	—	—	64,986,883	13,484,090
	172,307,702	315,748,890	197,701,810	148,222,581
Total assets	459,844,704	707,148,327	829,429,369	908,163,156
EQUITY AND LIABILITIES				
Equity				
Share capital	1,000,000	1,307,693	1,309,955	1,309,955
Share premium	402,750,000	602,938,278	604,582,768	604,582,768
Other reserves	(1,220,085)	(771,805)	225,266	4,705,752
Accumulated losses	(123,996,228)	(136,641,361)	(187,150,996)	(140,853,614)
Non-controlling interests	—	—	—	16,875,945
Total equity	278,533,687	466,832,805	418,966,993	486,620,806
Non-current liabilities				
Employee benefit liability	—	884,691	1,483,647	1,396,579
Loans and borrowings	81,142,055	—	257,440,512	267,078,206
Deferred tax liabilities	41,744,525	41,909,685	40,309,640	39,569,369
Provisions	22,024,643	23,741,232	38,602,143	38,831,239
	144,911,223	66,535,608	337,835,942	346,875,393
Current liabilities				
Trade and other payables	11,961,015	35,990,001	27,393,025	23,814,940
Accrued operating expenses	9,902,998	13,012,320	20,191,470	14,009,468
Loans and borrowings	—	119,141,003	—	—
Derivative liabilities	2,500,000	—	19,388,642	30,348,725
Withholding tax payable	30,427	56,880	561,305	1,091,970
Tax payable	12,005,354	5,579,710	5,091,992	5,401,854
	36,399,794	173,779,914	72,626,434	74,666,957
Total liabilities	181,311,017	240,315,522	410,462,376	421,542,350
Total equity and liabilities	459,844,704	707,148,327	829,429,369	908,163,156

3. CONSOLIDATED STATEMENT OF CASH FLOWS

Set out below are the audited cash flow statements of the Group for FY2012, FY2013 and FY2014 and the unaudited cash flow statements of the Group for 1Q2014 and 1Q2015.

	FY2012	FY2013	FY2014	1Q2014	1Q2015
		Audited	US\$	Unaudited	
OPERATING ACTIVITIES					
Profit/(loss) before tax	845,520	113,496	(39,278,870)	(14,486,842)	46,695,356
Adjustment to reconcile profit/(loss) before tax to net cash flows:					
Depreciation, depletion and amortisation	23,221,422	20,404,684	29,141,379	6,886,244	7,251,681
Dry hole expenses	1,283,288	—	—	—	—
Decommissioning provisions	6,076,986	1,284,797	14,218,838	—	—
Equity-settled transactions with employees	—	527,847	2,808,346	956,787	466,500
Excess of fair value of identifiable net assets acquired over consideration paid	—	(12,936,286)	—	—	(45,164,666)
Loss on disposal of other property, plant and equipment	—	—	12,508	—	—
Loss on disposal of investment securities	—	—	182,057	—	—
Net fair value (gain)/loss on embedded derivatives	(1,444,000)	(2,284,698)	6,137,226	6,137,226	—
Net fair value loss on hedge	—	—	2,960,446	—	597,777
Employee defined benefit	—	884,691	226,224	—	(87,068)
Finance cost	11,571,101	12,902,199	22,511,127	10,281,115	3,646,258
Unwinding of discount on decommissioning provisions	399,561	431,792	642,073	160,518	153,206
Write-back of unused decommissioning provisions	—	(667,226)	—	—	—
Interest income	(411,332)	(1,853,888)	(577,251)	(152,039)	(81,968)
Operating cash flows before changes in working capital	41,542,566	18,807,408	38,984,103	9,783,009	13,477,076
Changes in working capital					
Decrease/(Increase) in inventories	863,741	(883,084)	(7,504,782)	(1,213,960)	(6,245,450)
(Increase)/Decrease in trade and other receivables	(6,341,577)	(6,458,170)	(4,713,161)	(4,838,475)	6,762,363
Decrease in other current assets	1,991,314	500,000	—	—	—
(Decrease)/increase in trade and other payables	(1,710,505)	23,011,716	(278,270)	(15,051,611)	(18,711,603)
Cash flows/(used in) from operations	36,345,539	34,977,870	26,487,890	(11,321,037)	(4,717,614)
Interest received	411,332	1,853,888	577,251	152,039	81,968
Interest paid	(1,821,509)	(1,568,367)	(7,566,799)	(2,087,497)	(1,237,463)
Taxes paid	(20,155,928)	(19,019,114)	(13,179,388)	—	—
Net cash flows from/(used in) operating activities	<u>14,779,434</u>	<u>16,244,277</u>	<u>6,318,954</u>	<u>(13,256,495)</u>	<u>(5,873,108)</u>

	FY2012	FY2013	FY2014	1Q2014	1Q2015
		Audited			
			US\$		Unaudited
INVESTING ACTIVITIES					
Additions to exploration and evaluation assets	(16,839,659)	(64,607,295)	(82,553,592)	(19,778,720)	(44,987,105)
Additions to oil and gas properties	(15,498,075)	(13,794,344)	(24,453,401)	(1,922,015)	(1,845,477)
Advances for acquisition	—	—	(4,152,697)	—	—
Expenditure on decommissioning provisions	—	(1,832,774)	—	—	—
Expenditure on assets refurbishment	—	—	(8,986,883)	—	(5,280,542)
Proceeds from disposal of other plant and equipment	—	—	7,486	—	—
Purchase of other plant and equipment	(253,037)	(427,875)	(57,271,702)	(23,183)	(5,599,088)
Proceeds from assets held for sale	—	—	—	—	61,111,111
Proceeds from sale of shares in subsidiary	—	—	—	—	20,111,845
Purchase of investment securities	(182,057)	—	—	—	—
Acquisition of subsidiaries, net of cash acquired	—	(41,396,066)	(167,216,439)	—	(50,456,505)
Net cash flows used in investing activities	(32,772,828)	(122,058,354)	(344,627,228)	(21,723,918)	(26,945,761)
FINANCING ACTIVITIES					
Proceeds from issuance of shares	115,000,000	212,986,061	—	—	—
Proceeds from issuance of bonds	—	36,750,000	263,868,708	—	—
Proceeds from bank borrowings	—	—	135,000,000	40,000,000	79,000,000
Share issuance expense	—	(12,490,090)	—	—	—
Repayment of bonds	—	—	(126,300,000)	(126,300,000)	—
Repayment of bank borrowings	—	—	(125,000,000)	—	(59,000,000)
Payment of bond interest	(8,925,000)	(9,445,625)	(9,567,573)	—	—
Decrease in restricted cash	—	—	—	(6,615,600)	—
Decrease in short-term deposits	—	4,000,000	4,000,000	4,000,000	—
Decrease in amount due to holding company	(756,969)	—	—	—	—
Decrease in cash collateralised	—	—	—	—	758,824
Increase in cash collateralised	—	—	(3,758,824)	(3,758,824)	—
Net cash flows from/(used in) financing activities	105,318,031	231,800,346	138,242,311	(92,674,424)	20,758,824
Net increase/(decrease) in cash and cash equivalents	87,324,637	125,986,269	(200,065,963)	(127,654,837)	(12,060,045)
Net effect of exchange rate changes	(83,383)	(77,526)	(168,470)	(24,693)	(71,710)
Cash and cash equivalents at 1 January	34,659,700	121,900,954	247,809,697	247,809,697	47,575,264
Cash and cash equivalents at 31 December/31 March	121,900,954	247,809,697	47,575,264	120,130,167	35,443,509

Net Cash Flow from Operating Activities

The Group's net cash flow used in operating activities was US\$5.9 million during 1Q2015 versus US\$13.3 million in 1Q2014 as a result of movements in working capital.

The Group's net cash flow from operating activities was US\$6.3 million during FY2014. As a result of increased development activities, net cash flow from operations declined 61.1% to US\$6.3 million as compared to US\$16.2 million in FY2013. This was primarily driven by non-recurring expenses in relation to debt restructuring, increase in inventories, trade and other receivables as well as the decrease in trade and other payables.

The Group's net cash flow from operating activities was US\$16.2 million during FY2013. The Group generated operating cash flow before changes in working capital of US\$17.9 million, which was primarily adjusted for working capital changes such as increases in trade and other payables of US\$23.9 million and lower estimated tax payable as revenue derived B8/32 and B9A was lower than 2012.

The Group's net cash flow from operating activities was US\$14.8 million during FY2012. The Group generated operating cash flow before changes in working capital of US\$41.5 million, which was adjusted primarily for working capital changes such as an increase in trade and other receivables of US\$6.3 million and a decrease in the Group's trade and other payables of US\$1.7 million and the Group's payment of US\$20.2 million in taxes.

Net Cash Flow from Investing Activities

The Group's net cash flow used in investing activities amounted to US\$26.9 million during 1Q2015 compared with US\$21.7 million in 1Q2014. Material capital expenditure in 1Q2015 included (i) acquisition of working interest in Block A Aceh amounting to US\$50.5 million, as a result of which we recognised higher inventory of US\$10.1 million during the quarter in relation to the block; (ii) US\$1.8 million representing the working interest share of development well drilling in the B8/32 and B9A complex; (iii) expenditure of US\$17.5 million relating to exploration and development activities in G10/48, including the refurbishment of the MOPU and fabrication of the associated equipment; (iv) development costs in G11/48 of US\$5.8 million; (v) exploration drilling expenditure in G6/48 of US\$2.3 million; (vi) costs relating to seismic acquisitions in the Udan Emas and SS-11 PSCs of US\$7.4 million in aggregate; and (vii) transfer of Neon Energy's working interest share of expenditure for Block 105 and Block 120 of US\$14.0 million. We also received partial proceeds for the disposal of certain assets relating to the Wassana development, the transaction for which is expected to complete in 2015, and for the sale of an effective working interest of 11% in G10/48 to Palang Sophon Offshore through the sale of shares in a subsidiary.

The Group's net cash flow used in investing activities was US\$344.6 million during FY2014. Net cash flow used in investing activities increased 182.3% to US\$344.6 million from US\$122.1 million in FY2013 following the acquisition of the additional working interests in G10/48 and Cambodia Block A and continued investment in portfolio growth through exploration, appraisal and development activities.

The Group's net cash flow used in investing activities was US\$122.1 million during FY2013, mainly attributable to the Group's share of well and drilling costs at the Bulu PSC and Kutai PSC of

US\$11.7 million and US\$11.5 million, respectively, and in Block 105 and Block 120 of US\$14.1 million and US\$13.4 million, respectively. Drilling costs at both Block 105 and Block 120 have been capitalised. The Group's share of development drilling costs at B8/32 and B9A, and Block 9 amounted to US\$12.1 million and US\$1.6 million, respectively for FY2013.

The Group's net cash flow used in investing activities was US\$32.8 million during FY2012, mainly attributable to exploration and appraisal costs at the Group's non-producing contract areas amounting to US\$16.8 million as the Group's share of the costs of three exploration wells, and exploration, appraisal and development costs at the Group's producing contract areas, amounting to US\$15.5 million, principally comprising our share of the costs of development drilling at B8/32 and B9A in FY2012.

Net Cash Flow from Financing Activities

The Group's net cash flow from financing activities amounted to US\$20.8 million during 1Q2015 compared with net cash flows used in financing activities of US\$92.7 million in 1Q2014, as a result of utilisation of the 2014 Revolving Credit Facility.

The Group's net cash flow generated from financing activities was US\$138.0 million during FY2014. Net cash flow from financing activities decreased 40.5% to US\$138.0 million from US\$231.8 million in FY2013. The Group redeemed the 2016 Notes and returned US\$126.6 million to bondholders, which comprised principal repayment, a redemption premium and accrued interest. The Group issued the 2017 Notes and 2018 Notes and, following a series of US dollar swap transactions, realised gross proceeds of US\$263.9 million.

The Group's net cash flow generated from financing activities was US\$231.8 million during FY2013, mainly attributable to receipt of net proceeds of US\$200.5 million (S\$254.6 million) from the Company's IPO and listing on the Main Board of the SGX-ST, and a tap issue against the 2016 Notes amounting to US\$36.8 million, offset by the payment of bond interest amounting to US\$9.4 million.

The Group's net cash flow generated from financing activities was US\$105.3 million during FY2012, mainly attributable to Keppel's subscription of a 20.0% stake in the Company's equity for US\$115.0 million, which was partially offset by the Group's payment of interest on the 2016 Notes amounting to US\$8.9 million.

4. WORKING CAPITAL

The summary of the working capital of the Group as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 March 2015 is set out below:

	As at 31 December 2012	As at 31 December 2013	As at 31 December 2014	As at 31 March 2015
			US\$	
Current Assets	172,307,702	315,748,890	197,701,810	148,222,581
Current Liabilities	(36,399,794)	(173,779,914)	(72,626,434)	(74,666,957)
Net Current Assets	135,907,908	141,968,976	125,075,376	73,555,624

1Q2015 compared to FY2014

As at 31 March 2015, current assets decreased by US\$49.5 million as compared to 31 December 2014 primarily due to the de-recognition of assets held for sale and lower cash and cash equivalents, offset by higher inventory mainly as a result of the completion of the Block A Aceh acquisition.

As at 31 March 2015, current liabilities increased by US\$2.0 million as compared to 31 December 2014, primarily due to the hedge revaluation of the US dollar swaps offset by lower accrued operating expenses.

As a result of the foregoing, net current assets decreased by US\$51.5 million as compared to 31 December 2014.

FY2014 compared to FY2013

As at 31 December 2014, current assets decreased by US\$118.0 million as compared to 31 December 2013, primarily due to lower cash and cash equivalents offset by the recognition of assets held for sale.

As at 31 December 2014, current liabilities decreased by US\$101.2 million as compared to 31 December 2013, primarily due to lower loans and borrowings following the full redemption of the 2016 Notes, offset by hedge revaluation of the US dollar swaps.

As a result of the foregoing, net current assets decreased by US\$16.9 million as compared to 31 December 2013.

FY2013 compared to FY2012

As at 31 December 2013, current assets increased by US\$143.4 million as compared to 31 December 2012, primarily due to higher cash and cash equivalents on receipt of the IPO proceeds.

As at 31 December 2013, current liabilities increased by US\$137.4 million as compared to 31 December 2012, primarily due to the reclassification of loans and borrowings in anticipation of the full redemption of the 2016 Notes.

As a result of the foregoing, net current assets increased by US\$6.1 million as compared to 31 December 2012.

5. ADEQUACY OF WORKING CAPITAL

As at the Latest Practicable Date, in the reasonable opinion of the Directors, after taking into consideration the existing banking facilities available to the Group, the Group's internal resources and operating cash flows, the working capital available to the Group as at the date of this Circular is sufficient for the present requirements of the Group.

The initial public offering of KrisEnergy Ltd. was sponsored by CLSA Singapore Pte Ltd and Merrill Lynch (Singapore) Pte. Ltd. (the “**Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters**”). The Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters assume no responsibility for the contents of this Notice.



KRISENERGY LTD.

(Company Registration Number: 231666)

(Incorporated in the Cayman Islands on 5 October 2009)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of KrisEnergy Ltd. (the “**Company**”) will be held at Phoenix 1, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031, on 7 July 2015 at 10:00 a.m., for the purposes of considering and, if thought fit, passing (with or without modifications) the following special business to be presented as ordinary resolutions:

Terms used in this Notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular of the Company to Shareholders dated 22 June 2015 (the “**Circular**”).

RESOLUTION 1: ORDINARY RESOLUTION — THE SHARE CAPITAL RESOLUTION

That the authorised share capital of the Company be increased from US\$2,500,000 divided into 2,000,000,000 shares of a nominal or par value of US\$0.00125 each to US\$3,750,000 divided into 3,000,000,000 shares of a nominal or par value of US\$0.00125 each.

RESOLUTION 2: ORDINARY RESOLUTION — THE RIGHTS ISSUE RESOLUTION

That subject to and contingent upon the passing of Ordinary Resolutions 3 and 4, the renounceable underwritten rights issue (the “**Rights Issue**”) of 440,144,838 new shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.385 for each Rights Share, on the basis of forty-two (42) Rights Shares for every one hundred (100) existing shares (each, a “**Share**”) in the capital of the Company held by Entitled Shareholders as at 5:00 p.m. on 13 July 2015 (or such other time and date as the Directors may determine) (the “**Books Closure Date**”), fractional entitlements to be disregarded, be and is hereby approved and authority be and is hereby given to the Directors or any of them to:

- A. create and issue 440,144,838 Rights Shares at an issue price of S\$0.385 for each Rights Share; and
- B. provisionally allot and issue 440,144,838 Rights Shares at an issue price of S\$0.385 for each Rights Share on the basis of forty-two (42) Rights Shares for every one hundred (100) existing Shares held by Entitled Shareholders as at the Books Closure Date,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:

- (a) the provisional allotments of the Rights Shares under the Rights Issue shall be made on a renounceable basis to:
1. **Entitled Depositors**, being Shareholders with Shares standing to the credit of their Securities Accounts as at the Books Closure Date and (i) whose registered addresses with The Central Depository (Pte) Limited ("**CDP**") are in Singapore as at the Books Closure Date; (ii) who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents; or (iii) who are both (A) qualified institutional buyers within the meaning of Rule 144A of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or "accredited investors" as defined in Rule 501 of the U.S. Securities Act and (B) "qualified purchasers" within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended, (a) whose identities and status have been verified by the Company and (b) who have each provided to the Company a signed investor representation letter in the form and on the terms set out in the offer information statement to be despatched by the Company to Shareholders (the "**Offer Information Statement**") ("**Eligible U.S. Investors**"); and
 2. **Entitled Scripholders**, being Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Transfer Agent valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and (i) whose registered addresses with the Company are in Singapore as at the Books Closure Date; (ii) who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Transfer Agent with addresses in Singapore for the service of notices and documents; or (iii) who are Eligible U.S. Investors;
- (b) no provisional allotment of the Rights Shares shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided the Share Transfer Agent or CDP, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**");
- (c) fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders or their respective renounee(s) or Purchaser(s), any unsold "nil-paid" Rights of Foreign Shareholders and any Right Shares that are not otherwise allotted for whatever reason, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company;
- (d) if it is practicable to do so, the Company may, at its absolute discretion, arrange for the Rights, which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the SGX-ST as soon as practicable after commencement of trading in "nil-paid" Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date, **provided that** where the amount of net proceeds to be distributed to any single Foreign

Shareholder, persons in the United States, U.S. persons or persons acting for the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company; and

- (e) the Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares,

and the Directors or any of them be and are hereby authorised to take such steps, do all such acts and things (including but not limited to finalising, approving and executing all such documents as may be required in connection with the Rights Issue and the issue of the Rights Shares, and making amendments to the terms and conditions to the Rights Issue (including the Issue Price)) and to exercise such discretion as the Directors or any of them may in their absolute discretion deem fit or advisable in connection with all or any of the above matters.

RESOLUTION 3: ORDINARY RESOLUTION — THE PAYMENT OF THE SUB-UNDERWRITING COMMISSION BY MERRILL LYNCH (SINGAPORE) PTE. LTD. (“LEAD MANAGER AND UNDERWRITER”) TO DEVAN INTERNATIONAL LIMITED

That subject to and contingent upon the passing of Ordinary Resolutions 2 and 4, the payment of a sub-underwriting commission of 1.50 per cent. of the aggregate Issue Price of the 214,861,017 Rights Shares that are underwritten by the Lead Manager and Underwriter and sub-underwritten by Devan International Limited (the “**Sub-underwriting Commission**”) by the Lead Manager and Underwriter to Devan International Limited, a substantial shareholder of the Company, pursuant to the sub-underwriting agreement entered into between the Lead Manager and Underwriter and Devan International Limited dated 15 June 2015 (the “**Sub-underwriting Agreement**”) be and is hereby approved and the Directors or any of them be and are hereby authorised to take such steps, do all such acts and things including but not limited to finalising, approving and executing all such documents as may be required in connection with the Sub-underwriting Agreement and making amendments to the terms and conditions to the Sub-underwriting Agreement and to exercise such discretion as the Directors or any of them may in their absolute discretion deem fit or advisable in connection with all or any of the above matters.

RESOLUTION 4: ORDINARY RESOLUTION — THE WHITEWASH RESOLUTION

That subject to and contingent upon the passing of Ordinary Resolutions 2 and 3, the Shareholders (other than Devan International Limited, Keppel Oil & Gas Pte. Ltd., Kepventure Pte. Ltd., Keppel Corporation Limited, each of their respective directors (together with their close relatives, related trusts and companies controlled by any of them) (the “**Devan Holding Group**”) and any other parties acting or deemed to be acting in concert with it in respect of the Shares (together, the “**Concert Party Group**”) and parties not independent of the Concert Party Group), do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Devan Holding Group pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers, for the remaining Shares not already owned or controlled by the Concert Party Group, arising from the acquisition by Devan International Limited of Rights Shares pursuant to the Devan Undertaking and the Sub-underwriting Agreement.

By Order of the Board

Kelvin Tang/Jennifer Lee
Joint Company Secretaries

Singapore, 22 June 2015

Notes:

1. Poll. The Chairman of the EGM will be exercising his right under Article 86(2)(a) of the Memorandum and Articles of Association of the Company (the "**Articles**") to demand a poll in respect of the resolutions to be put to the vote at the EGM and at any adjournment thereof. Accordingly, the Ordinary Resolutions proposed at the EGM will be voted on by way of a poll.
2. Depositors. Under the Articles, unless CDP specifies otherwise in a written notice to the Company, CDP is deemed to have appointed as CDP's proxies to vote on behalf of CDP at the EGM each of the persons (who are individuals) holding shares in the capital of the Company through CDP and whose shares are entered in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) ("**Depositors**"), whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the EGM supplied by CDP to the Company, and such appointment of proxies shall not require an instrument of proxy or the lodgement of any instrument of proxy.

A Depositor may appoint not more than two persons (who shall be natural persons) to attend and vote in his place as proxy or proxies for CDP in respect of his shareholding, by completing and submitting the Depositor Proxy Form. The submission of a Depositor Proxy Form shall not preclude a Depositor appointed as a proxy by virtue of the Articles from attending and voting at the EGM but in the event of attendance by such Depositor, the Depositor Proxy Form submitted bearing his name as the Nominating Depositor (as defined in the Articles) shall be deemed to be revoked. The Company will reject a Depositor Proxy Form if the Nominating Depositor's name is not shown in the records of CDP as at a time not earlier than 48 hours before the time of the EGM supplied by CDP to the Company.

Where a Depositor is a corporation and wishes to be represented at the EGM, it must appoint a person or persons (who shall be natural persons) to attend and vote as proxy or proxies of CDP at the EGM in respect of its shareholding, by completing and submitting the Depositor Proxy Form.

3. Shareholders. A Depositor shall not be regarded as a shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time of the EGM. A shareholder of the Company (other than CDP) entitled to attend and vote at the EGM who is the holder of two or more shares is entitled to appoint not more than two proxies to attend and vote instead of him, by completing and submitting the Shareholder Proxy Form. A proxy need not be a shareholder of the Company. Delivery of the Shareholder Proxy Form shall not preclude a shareholder from attending and voting in person at the EGM and in such event, the Shareholder Proxy Form shall be deemed to be revoked.
4. Deposit of Instrument of Proxy. The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at the office of M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 at least 48 hours before the time appointed for holding the EGM.
5. Personal Data Privacy. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company or, as the case may be, a Depositor (i) consents to the collection, use and disclosure of the shareholder's or, as the case may be, the Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder or, as the case may be, the Depositor discloses the personal data of the shareholder's or, as the case may be, the Depositor's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder or, as the case may be, the Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder or, as the case may be, the Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's or, as the case may be, the Depositor's breach of warranty.