



KrisEnergy provides first-quarter results and operations update

- Production steady at 7,699 boepd, Thai oil developments on track for first oil
- Revenue down as oil prices decline; EBITDAX¹ edges lower
- One-off gains from transactions result in net profit after tax of US\$47.2 million
- Lifting costs fall for second consecutive quarter, focus on cost control

Singapore, 14 May 2015 – KrisEnergy Ltd. (“KrisEnergy” or “the Company”), an independent upstream oil and gas company, today announces unaudited results for the first quarter ended 31 March 2015 (“1Q2015”) and provides an operational update.

	For the three months ended 31 March		
	2015	2014	%
Production volumes (boepd)	7,699	8,097	(4.9)
<i>Oil and liquids (bopd)</i>	1,350	1,547	(12.7)
<i>Gas (mmcf)</i>	38.1	39.3	(3.1)
Revenue (US\$million)	11.4	21.2	(46.2)
EBITDAX ¹ (US\$million)	9.3	9.9	(5.9)
Average sales price			
<i>Oils and liquids (US\$/bbl)</i>	53.20	108.04	(50.8)
<i>Gas – B8/32 and B9A (US\$/mcf)</i>	5.63	6.19	(9.0)
<i>Gas – Block 9 (US\$/mcf)</i>	2.32	2.32	-
Average lifting costs (US\$/boe)	5.72	4.96	15.3

Group production in 1Q2015 averaged 7,699 barrels of oil equivalent per day (“boepd”), flat from the 2014 average of 7,612 boepd but lower than the first quarter 2014 (“1Q2014”) when volumes touched 8,000 boepd as several better-than-expected new development wells were brought on stream in the Thai producing assets.

Revenues fell 46.2% in 1Q2015 to US\$11.4 million as the average oil price realised by the KrisEnergy group dropped to US\$53.20 per barrel (“bbl”) compared with US\$108.04/bbl in 1Q2014. Gas prices at

¹ Earnings before interest, tax, depreciation, amortisation and exploration expenses (“EBITDAX”)



the B8/32 and B9A fields in the Gulf of Thailand were less volatile, decreasing 9.0% from a year ago to an average US\$5.63 per thousand cubic feet ("mcf"). The gas price for sales from the Bangora field onshore Bangladesh remained constant over both quarterly periods at US\$2.32/mcf.

Cost control and maximising production efficiencies will continue to be a strategic focus for the Group. Year-on-year, lifting costs rose 15.3% to US\$5.72 per barrel of oil equivalent ("boe") in 1Q2015 versus US\$4.96/boe, largely as a result of the higher production in the 2014 period. The Group's lifting costs have declined for the last two reporting periods and were 16.7% lower in 1Q2015 compared with the preceding quarter (4Q2014: US\$6.87/boe).

EBITDAX and net profit after tax in 1Q2015 were US\$9.3 million and US\$47.2 million, respectively, and were boosted primarily by a one-off gain, being provisional negative goodwill of US\$45.2 million associated with the completion of the acquisition of a 41.6666% non-operated working interest in the Block A Aceh production sharing contract ("PSC") onshore Sumatra in Indonesia in January 2015. The Group also recognised a US\$7.3 million gain from the transfer of working interest for Block 105-110/04 ("Block 105") and Block 120 following Neon Energy (Song Hong) Pty Ltd's ("Neon Energy") withdrawal, and a US\$5.1 million gain associated with the sale of marine-related assets.

Keith Cameron, Chief Executive Officer, commented: "There is no doubt that these are challenging times for the upstream oil and gas sector. The crash in oil prices is reflected directly on the bottom line but gas prices in Asia have remained relatively resilient. This supports our strategy of a balance of oil and gas in the portfolio, which will be underpinned when two oil developments in Thailand begin production in the second half of the year. These fields will bring our oil/gas production ratio to around 50:50. It is essential that we continue to focus on cost reductions in this lower oil price environment.

Operationally, we are fully focused on bringing on stream the Wassana oil field in the Gulf of Thailand where we are making good progress and have completed refurbishment of key equipment and are preparing for installation. The Nong Yao development is also pressing ahead and we remain on track for first oil. We have enjoyed five successful exploration wells at the start of 2015, and we will further investigate these discoveries over the next few months to get them over technical and commercial thresholds and into our pipeline of development projects."

Capital expenditure in the first three months 2015 included US\$1.8 million for KrisEnergy's working interest share of development well drilling in B8/32 and B9A; US\$17.5 million for exploration and development activities at G10/48, including the refurbishment of the mobile offshore production unit ("MOPU") and fabrication of associated equipment; US\$5.8 million for development costs in G11/48; US\$2.3 million for exploration drilling expenditure in G6/48; and US\$7.4 million relating to seismic acquisition programs in the Udan Emas PSC in West Papua, Indonesia, and the SS-11 exploration licence offshore Bangladesh.

First-quarter Operational Summary and Subsequent Events up to 30 April 2015

Changes to Portfolio

- In March 2015, increased working interest in Block 105 and took over operatorship, the transfer of which is pending approval of the Ministry of Industry and Trade of Vietnam ("MoIT").



- In February 2015, completed the sale of an 11% non-operated effective interest in G10/48 to Palang Sophon Offshore, reducing KrisEnergy's effective interest to 89%. KrisEnergy remains the operator of G10/48.
- In February 2015, the MoIT issued amended investment certificates for Block 105 and Block 120 following the withdrawal of Neon Energy. KrisEnergy's revised working interest in each exploration block increased to 33.33% from 25%.
- In January 2015, completed the acquisition of Premier Oil Sumatra (North) B.V., which has been renamed KrisEnergy (Block A Aceh) BV and holds a 41.6666% non-operated working interest in Block A Aceh.

Development & Appraisal

- B8/32 & B9A: 19 development wells were drilled in 1Q2015. Up to 60 development wells are scheduled for 2015.
- G11/48: Construction of the production and processing facilities for the Nong Yao development was completed in February and installation is underway.
- G10/48: Refurbishment of the *MOPU Ingenium* and the *Rubicon Vantage* floating offloading and storage vessel is completed and preparations are underway for installation at the Wassana field location ahead of development drilling.
- Bulu PSC: Contract awarded to PT. Synergy Engineering for the front-end engineering and design contract for the Lengo gas development offshore East Java in Indonesia. Indonesian-based survey contractor, Java Offshore, commenced geophysical and geotechnical surveys at the platform site, along the proposed platform-to-shore pipeline route and at onshore receiving terminal location.
- Block A Aceh PSC: Operator PT. Medco E&P Malaka signed a gas sales contract for a daily contracted quantity of 58 billion British thermal units at an agreed gas price of US\$9.45 per million British thermal units.

Exploration

- Rayrai-1 exploration well in G10/48 reached total depth at 6,382 feet measured depth ("MD") (-5,281 feet true vertical depth subsea ("TVDSS")) and intersected approximately 50 feet true vertical depth ("TVD") of net oil-bearing sandstones.
- Rossukon series of exploration wells in G6/48 in the Gulf of Thailand:
 - Rossukon-2 reached total depth at 5,460 feet MD (-4,924 feet TVDSS) and intersected approximately 69 feet TVD of net oil-bearing sandstones and 37 feet TVD of net gas-bearing sandstones;
 - Rossukon-2ST sidetrack reached total depth at 7,270 feet MD (-5,263 feet TVDSS) and intersected approximately 40 feet TVD of net oil-bearing sandstones and 100 feet TVD of net gas-bearing sandstones;
 - Rossukon-3 reached total depth at 7,497 feet MD (-6,235 feet TVDSS) and intersected approximately 75 feet TVD of net oil-bearing sandstones and 49 feet TVD of net gas-bearing sandstones;
 - Rossukon-3ST sidetrack reached total depth at 6,645 feet MD (-4,500 feet TVDSS) and intersected approximately 85 feet TVD of net oil-bearing sandstones and 63 feet TVD of net gas-bearing sandstones.
- Recording commenced in January 2015 of a 300 km 2D seismic acquisition program in the Udan Emas PSC, onshore West Papua in Indonesia. The survey is expected to last until June.
- A 575 sq. km 3D seismic acquisition program was completed in the non-operated Block 120 exploration licence offshore central Vietnam.



- A 3,146 km 2D seismic acquisition program was completed in the non-operated SS-11 exploration licence offshore Bangladesh.

About KrisEnergy:

KrisEnergy Ltd. is an independent upstream company focused on the exploration for, and the development and production of oil and gas in Southeast Asia. Our strategy is to acquire assets in countries and basins where our technical team has expertise derived from decades of experience. Since 2009, we have built a portfolio of 19 contract areas in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam, spanning the entire exploration-to-production life cycle. We operate 13 of the contract areas.

KrisEnergy's shares are listed on the mainboard of the Singapore Exchange Securities Trading Ltd under the ticker SK3. For more information, visit www.krisenergy.com

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 announcement.