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KrisEnergy launches formal restructuring plan:

- **Consent solicitation exercise – exchange for new senior unsecured notes, five-year extended tenor, coupon up to 7.0% per annum**
- **New capital injection – ongoing shareholder support; S$140 million conditional on consent solicitation approval**

Singapore, 17 November 2016 - KrisEnergy Ltd. ("**KrisEnergy**" or the "**Company**"), an independent upstream oil company, today announces the launch of a consent solicitation exercise ("**Consent Solicitation**") in relation to the Company's S$130 million 6.25% fixed rate notes due 2017 ("**2017 Notes**") and S$200 million 5.75% fixed rate notes due 2018 ("**2018 Notes**" and, together with the 2017 Notes, "**Existing Notes**").

The Company is seeking approval from holders of the Existing Notes ("**Noteholders**") by way of extraordinary resolutions ("**Extraordinary Resolutions**") to exchange Existing Notes for new senior unsecured notes with the following amended terms and conditions, amongst others:

- 2017 Notes to be exchanged at full face value for the 2022 Notes and the 2018 Notes to be exchanged at full face value for the 2023 Notes (together, the 2022 Notes and 2023 Notes (the "**New Notes**"));
- Coupon structure increases total coupon from 4.0% to up to 7.0% per annum, comprising:
  - Increased mandatory cash coupon from 2.0% to 4.0% from the fifth coupon payment and thereafter;
  - Additional oil price-linked cash coupon of up to 3.0% per coupon period, which ensures the Company shares cash flow upside with Noteholders from gains in Brent crude oil prices (see Appendix 1 for *Coupon Structure of the New Notes*); and
- Replacement of financial maintenance covenants with incurrence covenants.

(For full details of the terms and conditions see the *Consent Solicitation Statement* dated 17 November 2016. Capitalised terms used herein but not defined shall have the same meanings as ascribed in the Consent Solicitation Statement.)

Jeffrey S. MacDonald, KrisEnergy's Interim Chief Executive Officer, commented: "This restructuring is essential for the survival of KrisEnergy and without which there is no guarantee that the Company can continue to operate and meet its various obligations. The Consent Solicitation is a critical element of the restructuring and is aimed at providing the Company with a stable and sustainable capital structure and an enhanced liquidity position.

"There has been no sustained improvement of any magnitude in oil prices and markets remain volatile. Our liquidity is severely limited despite the steps we have taken over the last 18 months to counter external factors out of our control that impact our ability to execute our business plan.

"Since our announcement on 3 November 2016, the Company has consulted Noteholders to seek their views and concerns. Their feedback has been considered very carefully at all levels, including all stakeholders. These consultations have resulted in a revision of the proposed cash interest rate from the fifth coupon payment onwards when it is believed that the Company should be in a better position as new production comes on stream and oil prices are forecast to be at a slightly higher level than today. Noteholders will benefit in any upside of the business with a coupon step-up corresponding to increases in Brent crude oil prices.

"The restructuring is holistic. It involves significant contributions from Noteholders, equity holders and other creditors. There are many inter-linked components and the proposal tries to balance the interests of these parties in order to preserve value for all stakeholders. If the Consent Solicitation is approved, it will be followed by a substantial injection of new capital, which will be used to execute the new business plan, that if successfully implemented, will generate additional cash flow to repay Noteholders," Mr. MacDonald said.

Interdependency

As described in the announcement *KrisEnergy announces proposed financial restructuring* dated 3 November 2016, the Consent Solicitation is one component of the proposed financial restructuring ("**Proposed Restructuring**"). Other steps in the Proposed Restructuring include a preferential offering to raise up to S$140 million, a restructuring of the Company's revolving credit facility together with a US$50 million bridge upsize ("**Bridge Upsize**") for up to six months, and a restructuring of the cross-currency swaps with respect to the 2017 Notes and 2018 Notes into unsecured term loans.

Each component of the Proposed Restructuring is dependent on the success of the other steps. If the Extraordinary Resolutions are not passed in respect of the Existing Notes in the Consent Solicitation, the Proposed Restructuring is unlikely to be successfully implemented and the Company may not be able to operate and meet its various commitments.

Access to Bridge Upsize

While the Company is in compliance with all of its obligations under the terms of the Existing Notes as of the date of this announcement, it may be at risk of not being able to comply with its obligations, such as non-payment of principal or interest in the future, which could in turn, constitute an Event of Default. An Event of Default, should it occur, may also trigger cross-default and/or cross-acceleration clauses in the Group's revolving credit facility and other existing indebtedness.

Under the terms of the revolving credit facility and the associated Bridge Upsize, US$15 million was utilised on 8 November 2016 and US$35 million may only be accessed following the satisfaction of certain conditions, including the successful completion of the Consent Solicitation for the 2017

Notes and for the 2018 Notes. If the Consent Solicitation for the 2017 Notes and 2018 Notes is unsuccessful, the Company may not be able to access the remaining US$35 million Bridge Upsize, which it requires to make payment of the interest of the 2017 Notes due on 9 December 2016. (See *Consent Solicitation Statement - Risk Factors*).

For further details of the Consent Solicitation, Noteholders are advised to refer to notices of meetings published in The Business Times and announced via SGXNET on 17 November 2016. Appendix 1 illustrates the coupon structure of the New Notes. Appendix 2 provides an indicative time line for the execution of the Proposed Restructuring.

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

KrisEnergy Ltd. +65 6838 5430

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Tanya Pang (VP, Investor Relations)

Financial Restructuring Adviser

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

Consent Solicitation Agent with respect to the Consent Solicitation Exercise

Standard Chartered Bank[1]

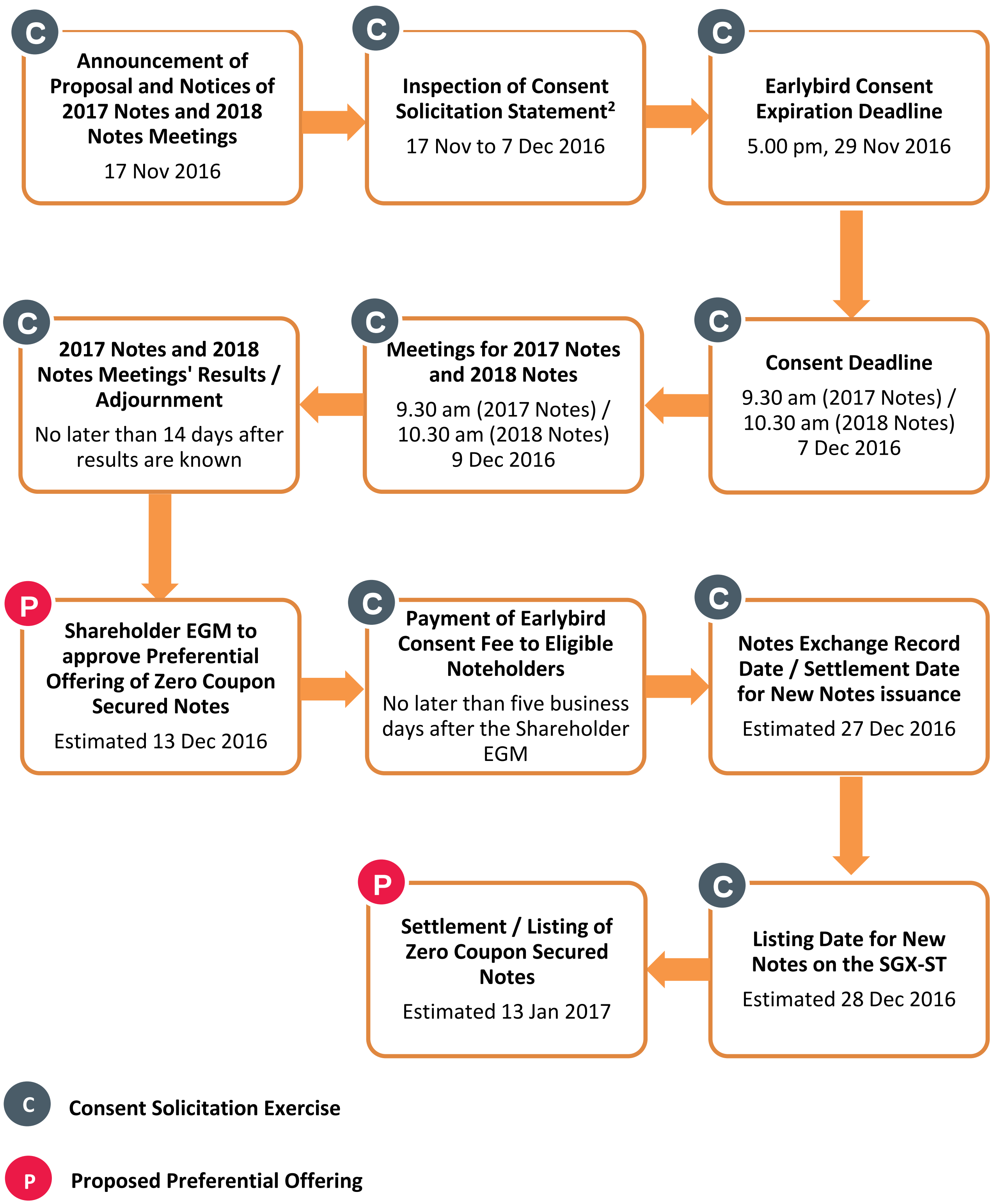
NOTE: this announcement does not constitute an invitation to participate in the Consent Solicitation. No offer or invitation to issue or redeem any securities is being made pursuant to this release. This announcement must be read in conjunction with the Consent Solicitation Statement. This announcement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

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

Appendix 1 – Coupon Structure of the New Notes

<table>
<tr><th></th><th colspan="2">Fixed Coupon
(per annum)</th><th>Brent-Price-Linked Coupon
(per annum)</th><th>Min. Coupon
(per annum)</th><th>Max. Potential Coupon
(per annum)</th></tr>
<tr><td></td><td>Cash</td><td>Accrued (or Paid in Cash at Company’s Discretion)</td><td>Additional Cash Coupon per Interest Period (Annualised)</td><td></td><td></td></tr>
<tr><td>First Four Coupon Payments After Exchange Date</td><td>2%</td><td>2%</td><td rowspan="2">Subject to Brent Price, from Exchange Date:
▪ 1%, if US$70/bbl < Brent Price ≤ US$80/bbl
▪ 2%, if US$80/bbl < Brent Price ≤ US$90/bbl
▪ 3%, if US$90/bbl < Brent Price</td><td>2% Cash + 2% Accrued</td><td>5% Cash + 2% Accrued</td></tr>
<tr><td>Starting From the Fifth Coupon Payments and Thereafter</td><td>4%</td><td>--</td><td>4% Cash</td><td>7% Cash</td></tr>
<tr><td>Brent Price</td><td colspan="5">▪ Arithmetic mean of Brent Crude oil in US$/bbl (as per “CO1 Comdty” on Bloomberg) over the immediately preceding 180-days period over the relevant coupon period</td></tr>
<tr><td>Accrued Interest</td><td colspan="5">▪ In the first four coupon payments, Company retains the option to pay 2% of Fixed Coupon in cash or accrue to principal amount to manage its liquidity</td></tr>
</table>

Appendix 2 – Indicative Execution Timeline



[2] *Noteholders are required to make an appointment with the Tabulation Agent prior to making any inspection at its offices*