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PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN PREFERENTIAL OFFERING OF NOTES WITH WARRANTS

Nothing in this announcement constitutes an offer to buy, or a solicitation of an offer to sell, securities in the United States or any other jurisdiction in which such offer or solicitation would be unlawful. Securities may not be offered or sold in the United States absent registration pursuant to the U.S. Securities Act of 1933, as amended (the "Securities Act") or an exemption from registration. The securities referred to in this announcement will be sold only outside the United States, in "offshore transactions" in accordance with Regulation S under the Securities Act.

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of KrisEnergy Ltd. (the "**Company**") refers to the announcements dated 3 November 2016, 17 November 2016 and 7 December 2016. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings ascribed to them in the announcement dated 3 November 2016 regarding, *inter alia*, the proposed Preferential Offering.

2. IRREVOCABLE UNDERTAKINGS

As at the date of this announcement, (i) First Reserve Fund XII, L.P. and FR XII-A Parallel Vehicle, L.P. (collectively, the "**First Reserve Funds**") collectively hold a direct interest in all the shares in the capital of KrisEnergy Holdings Ltd., which in turn holds 560,505,269 shares in the capital of the Company (the "**Shares**") (the "**Existing KE Holdings Shares**"), representing approximately 37.47 per cent. of the total number of issued Shares, and (ii) Devan holds 598,263,893 Shares (the "**Existing Devan Shares**"), representing approximately 39.99 per cent. of the total number of issued Shares.

Devan is currently in the process of transferring the Existing Devan Shares to its sole shareholder, KOG, an indirect wholly-owned subsidiary of Keppel Corporation Limited.

To show their support for the Preferential Offering and to demonstrate their commitment to, and confidence in the prospects, of the Group, the First Reserve Funds and KOG have separately, on 8 December 2016 and 9 December 2016 respectively, given the irrevocable undertakings to the Company (the "**Irrevocable Undertakings**"), pursuant to which:

- (A) The First Reserve Funds 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 Preferential Offering Resolution and the Whitewash Resolution;



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- (b) they will procure that as at the Record Date, KrisEnergy Holdings Ltd. will have in aggregate not less than the number of Existing KE Holdings Shares credited to its Securities Account; and
 - (c) they will procure that until the closing date of the Preferential Offering, KrisEnergy Holdings Ltd. will have in aggregate not less than the Existing KE Holdings Shares credited to KrisEnergy Holdings Ltd.'s Securities Account.
- (B) KOG has irrevocably undertaken to the Company (the "**KOG Irrevocable Undertaking**") that, *inter alia*:
- (a) it will vote, or will procure that Devan votes, all of the Existing Devan Shares in favour of the Preferential Offering Resolution;
 - (b) as at the Record Date, it will have, or will procure Devan to have, in aggregate not less than the Existing Devan Shares credited to its or Devan's Securities Account, held through a nominee or otherwise, with CDP;
 - (c) in accordance with the terms and conditions of the Preferential Offering and in any case not later than the closing date of the Preferential Offering, it will subscribe and pay for, or procure that Devan subscribes and pays for, its or Devan's (as the case may be) full entitlement of Notes with Warrants arising from the Existing Devan Shares, under the Preferential Offering (the "**Pro-rata Undertaken Notes with Warrants**"); and
 - (d) it will subscribe and pay for, or procure that Devan subscribes and pays for, all excess Notes with Warrants that are not successfully subscribed for under the Preferential Offering (which, taken together with the Pro-rata Undertaken Notes with Warrants, will be up to a maximum of S\$140 million in principal amount of Notes with up to 1,255,183,632 Warrants).

The Notes with Warrants which KOG has undertaken to subscribe and pay for, or to procure subscription and payment for, will constitute 100 per cent. of the total number of Notes with Warrants which are the subject of the Preferential Offering.

KOG's obligation under the KOG Irrevocable Undertaking referred to in paragraph 2(B)(a) above is subject to and conditional upon the Existing Noteholders' approval of the Consent Solicitation being obtained.

KOG's obligations under the KOG Irrevocable Undertaking referred to in paragraphs 2(B)(b) to 2(B)(d) above are subject to and conditional upon the passing of the Preferential Offering Resolution and the Whitewash Resolution and the Existing Noteholders' approval of the Consent Solicitation being obtained. Such Existing Noteholders' approval was obtained on 9 December 2016.



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

3. **GENERAL**

The terms and conditions of the Preferential Offering are subject to such changes as the Directors, after consultation with the Lead Manager, may deem appropriate.

Further details of the Preferential Offering will be made available in the Circular and Offering Memorandum to be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Jeffrey S MacDonald
Executive Director and Interim Chief Executive Officer
9 December 2016
Singapore

Company

KrisEnergy Ltd.
Jeffrey S. MacDonald (Executive Director & Interim Chief Executive Officer)
Kiran Raj (Chief Financial Officer)
Tanya Pang (Vice President, Investor Relations)

+65 6838 5430