

KRISENERGY LTD

Company Registration No: 231666
(Incorporated in the Cayman Islands)

Unaudited First Quarter 2020 Financial Statements Announcement



11 June 2020

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (the “**Company**” or “**KrisEnergy**”, and collectively with its subsidiaries, the “**Group**”) relating to financial trends for future periods.

Some of the statements in this presentation, which are not historical facts, are statements of future expectations with respect to, among others, the financial condition, results of operation and business, and the related plans and objectives of the Company and/or the Group. These forward-looking statements are based on the Company’s current views, intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and uncertainties. As actual results could differ materially from the Company’s current views, intentions, plans, expectations, assumptions and beliefs about the future, such forward-looking statements are not and should not be construed as a representation, forecast or projection of future performance of the Company and/or the Group. It should be noted that our actual performance may vary significantly from such statements. No undue reliance should be placed on forward-looking statements and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

KrisEnergy Ltd. is an independent upstream oil and gas company focused on the appraisal, development and production of oil and gas in Asia. As at the date of this announcement, we hold working interests in a diverse portfolio of 11 contract areas in Asia, eight of which we operate. Today, we present our unaudited financial statements reflecting the financial and operating results for the three months ended 31 March 2020 (the “Results” or “1Q2020”). References made to the Company pertain to KrisEnergy Ltd. and references made to the Group pertain to the Company and its subsidiaries.

	For the three months ended 31 March		
	2020	2019	% Change
	<i>(US\$ thousands, except where otherwise indicated)</i>		
Financial			
Sale of crude oil & liquids	15,672.5	21,595.3	(27.4)
Sale of gas	3,462.3	3,990.7	(13.2)
Revenue	19,134.8	25,586.0	(25.2)
Adjusted EBITDAX⁽¹⁾	3,459.9	9,070.8	(61.9)
Cash and bank balances	47,807.9	55,590.2	(14.0)
Operations			
Oil and liquids (bopd)	4,182	4,643	(9.9)
Gas (mmcf)	32.1	32.9	(2.4)
Production volumes (boepd)	9,530	10,120	(5.8)
Average sales price			
• Oil and liquids (US\$/bbl)	51.99	58.20	(10.7)
• Gas – B8/32 (US\$/mcf)	4.81	5.07	(5.1)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-
Average lifting costs (US\$/boe) ⁽²⁾	23.25	22.00	5.7

Notes:

- (1) EBITDAX is a non-IFRS measure and is defined as earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses. Adjusted EBITDAX excludes unrealised foreign exchange differences.
- (2) Average lifting cost reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period.

EBITDAX Computation

		For the three months ended 31 March	
		2020	2019
		<i>(unaudited)</i>	
		<i>(US\$ thousands)</i>	
Cash	Revenue	19,134.8	25,586.0
	Adjusted operating costs ⁽³⁾	(13,587.5)	(13,429.5)
	Thai petroleum royalties paid	(1,415.2)	(2,144.7)
	Gross profit before depreciation, depletion and amortisation	4,132.1	10,011.8
	Corporate general and administrative expense	(672.2)	(941.0)
	Adjusted EBITDAX⁽⁴⁾	3,459.9	9,070.8
	Geological and geophysical expenses	(379.5)	(1,023.8)
	Exploration expenses	-	55.8
	Adjusted EBITDA⁽⁴⁾	3,080.4	8,102.8
	Finance costs	(8,822.1)	(6,576.6)
	Adjusted cash (loss)/profit before tax	(5,741.7)	1,526.2
Non-Cash	Finance costs (accretion of bond discount ⁽⁵⁾ , decommissioning provision and lease liability)	(5,413.9)	(4,896.3)
	Depreciation, depletion and amortisation	(8,981.6)	(11,559.9)
	Net fair value loss on financial instruments	2,247.5	(514.7)
	Unrealised exchange loss on 2022 Notes, 2023 Notes and 2024 ZCNs	6,864.3	(4,858.0)
	Other unrealised exchange differences	(2,315.7)	181.7
	Adjusted loss before tax⁽⁶⁾	(13,341.1)	(20,121.0)

Notes:

- (3) Adjusted operating costs is a non-IFRS measure and includes the bareboat charters for oil and gas production, which are classified under depreciation, depletion and amortisation (“**DD&A**”) in the profit and loss statement in accordance with IFRS 16, effective from 1 January 2019.
- (4) EBITDAX and EBITDA are supplemental measures of our performance that are not required under IFRS. EBITDAX and EBITDA 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. EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible. Adjusted EBITDAX and Adjusted EBITDA excludes unrealised foreign exchange differences.
- (5) Pursuant to the financial restructuring in the first quarter 2017 (“**1Q2017**”), the Group recognised a one-off non-cash fair value gain on exchange of the S\$130 million senior unsecured notes due 2022 (“**2022 Notes**”) and the S\$200 million senior unsecured notes due 2023 (“**2023 Notes**”) amounting to US\$73.9 million (the “**Notes Exchange Gain**”) as the 2022 Notes and 2023 Notes were recognised at a discount to par value upon exchange. Each reporting quarter until maturity or redemption of the 2022 Notes and 2023 Notes, the non-cash accretion of the bond discount, computed on the effective interest method in accordance with IFRS, will be charged to the Group’s profit and loss as finance costs to offset the Notes Exchange Gain. In addition, non-cash accretion of bond discount on the 2024 Zero Coupon Notes (“**2024 ZCNs**”) will be charged to finance costs as the 2024 ZCNs were initially recognised at a discount to par value on issuance in 1Q2017.
- (6) Adjusted profit/loss before tax deducts Special Remuneratory Benefit taxes from the calculation of Adjusted EBITDA.

First Quarter 2020 Financial Update

Oil prices declined throughout 1Q2020 as a consequence of the parallel events of a supply war between major global producers and the emergence of the COVID-19 pandemic that resulted in an unprecedented plunge in global fuel demand with transportation, aviation and industrial activity coming to a standstill as governments enacted lockdown measures to try and halt the spread of the virus.

The average price of benchmark Brent crude in 1Q2020 was US\$50.82 per barrel (“bbl”), 18.6% lower than the fourth quarter 2019 (“4Q2019”) and 20.4% below the average for the first quarter 2019 (“1Q2019”). The Group’s average realised selling price for crude oil and liquids in 1Q2020 was US\$51.99/bbl, 10.7% down from 1Q2019 and the lowest quarterly price achieved since the fourth quarter 2017. A single lifting of Wassana crude oil at the start of February 2020 at US\$50.69/bbl before oil prices sank to 1Q2020 lows provided some support to the realised average price for the period. Subsequent Wassana crude liftings in April and May at US\$16.86/bbl and US\$26.94/bbl, respectively, triggered a review of Wassana economics and resulted in the suspension of production in early June 2020. Further details of Wassana production may be found in paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.

Lower prices and sales volumes impacted 1Q2020 revenue, which decreased 45.4% to US\$19.1 million compared with 4Q2019. Gross profit before DD&A was US\$4.1 million and net cash flow from operating activities was positive at US\$8.5 million. However, material non-cash charges in 1Q2020 of US\$7.6 million and finance costs of US\$8.8 million resulted in a loss before tax of US\$13.3 million.

The net loss recorded in 1Q2020 deepened the Group’s capital deficiency position to US\$160.1 million and the net current liability position to US\$539.4 million as at 31 March 2020. Total debt recognised on the Group’s balance sheet amounted to US\$505.3 million and gearing was 146.4%.

- **Production:** Working interest production in 1Q2020 averaged 9,530 barrels of oil equivalent per day (“boepd”), 5.8% lower than the same period last year (1Q2019: 10,120 boepd) mainly as a result of lower production from B8/32 and Wassana field in G10/48.
- **Realised Pricing:** The Group’s average realised selling price for oil and liquids in 1Q2020 was US\$51.99/bbl, a decline of 10.7% compared to a year ago (1Q2019: US\$58.20/bbl) as benchmark prices declined during the quarter. The average realised gas price for the B8/32 licence decreased 5.1% to US\$4.81 per thousand cubic feet (“mcf”) (1Q2019: US\$5.07/mcf) and was unchanged from 4Q2019. The realised gas price from the onshore Bangladesh Bangora field in Block 9 remained flat at US\$2.32/mcf.
- **Revenue:** Lower production volume and average realised selling price for oil and liquids resulted in a 25.2% decrease in 1Q2020 revenue to US\$19.1 million (1Q2019: US\$25.6 million).

- Adjusted Operating Costs:** Operating costs in 1Q2020 including the bareboat charters for the Wassana field operations – namely the mobile offshore production unit (**MOPU**) and the floating storage and offloading vessel (“**FSO**”) – were US\$13.6 million (1Q2019: US\$13.4 million). The marginal increase was primarily a result of lower production in the Wassana field and, as operating expenditure is largely fixed, the operating cost attributable to the crude oil barrels lifted is consequentially higher. In accordance with the Group’s accounting policies and industry practice, operating costs are incurred and matched with revenue earned at the time of offtake. Hence, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue earned.
- Lifting Costs:** Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 1Q2020, the average lifting cost was US\$23.25 per barrel of oil equivalent (“**boe**”) compared with US\$22.00/boe for 1Q2019. The 5.7% increase was attributed to lower production volumes related to the Wassana and B8/32 assets.
- Adjusted EBITDAX:** Decreased to US\$3.5 million in 1Q2020 (1Q2019: US\$9.1 million) mainly as a result of lower gross profit for the period.
- Loss Before Tax:** Amounted to US\$13.3 million in 1Q2020 (1Q2019: US\$20.1 million) due to lower revenue and higher finance cost. Material non-cash charges to the profit and loss statement in 1Q2020 amounted to US\$7.6 million, comprising: (i) US\$9.0 million for DD&A charges; (ii) US\$5.4 million related to the non-cash accretion of bond discount, lease liability and decommissioning provision; (iii) US\$4.5 million for net unrealised foreign exchange gain; and (iv) US\$2.2 million related to the 1Q2020 net fair value gain on financial instruments.
- Cash & Bank Balances:** As at 31 March 2020, the Group’s cash and bank balances totalled US\$47.8 million and, after taking into account restricted cash of US\$6.3 million, the Group’s cash and cash equivalents, including amounts held under joint operations, amounted to US\$41.5 million. Total unused sources of liquidity excluding amounts held under joint operations amounted to US\$4.9 million.

Further discussion of the Group's financial results is set out in Section 8 of this *Financial Statements Announcement*.

Group Capital Management

- **Going Concern:** The Group's financial statements for the period ending 31 March 2020 have been prepared on a going concern basis. As disclosed in previous financial statements announcements of the Company, the Group is over-gearred and under-equitised and has appointed advisors to formally review and implement all available options to the Group in order to improve the financial condition of the Group, which is critical. The Group's auditors' view, as stated in the audited consolidated full-year 2019 financial statements, is that material uncertainty exists over the Group's ability to continue as a going concern.
- **Moratorium Application:** The Group is working towards alleviating its above-mentioned financial difficulties through a restructuring process. The Company announced on 14 August 2019 that it had made an application to the High Court of the Republic of Singapore ("**Singapore High Court**") to commence a court-supervised process to reorganise its liabilities and to seek a moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act (Cap. 50) (the "**Moratorium Application**"). Please refer to the announcement entitled *Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)* dated 14 August 2019 for more details.
 - On 14 August 2019, trading of all KrisEnergy securities on Singapore Exchange Securities Trading Ltd was indefinitely suspended following the Moratorium Application. See announcement entitled *KrisEnergy Ltd. announces suspension of securities trading* dated 14 August 2019.
 - On 21 August 2019, the Company announced that given the financial condition of the Group, it is not feasible for the Company to make all payments of its financial obligations as they fall due. In this connection, while the financial restructuring process is ongoing, the Company had decided to cease payment of certain obligations including:
 - principal and interest payable under the term facility agreements to each of The HongKong and Shanghai Banking Corporation Limited ("**HSBC**") and Standard Chartered Bank, Singapore Branch ("**SCB**") amounting to US\$4,604,689.61 in aggregate due on 21 August 2019; and
 - interest payable under the S\$200.0 million 4.0% senior unsecured notes due 2023 ("**2023 Notes**") amounting to S\$4,096,000 due on 22 August 2019.See announcement entitled *Updates on restructuring process – Non-payment of principal and interest* dated 21 August 2019.
 - On 28 August 2019, the Company provided a Notice of Occurrence of Redemption Event for each of the 2022 Notes, 2023 Notes and the 2024 ZCNs, whilst concurrently disclosing that the Company is not in a position to redeem any of the notes.
 - On 9 September 2019, the Singapore High Court granted the Moratorium Application for a three-month period i.e. to 14 November 2019. See

announcement entitled *Updates on restructuring process – Outcome of Moratorium Application* dated 10 September 2019.

- On 10 September 2019, KrisEnergy convened an informal investor meeting organised and facilitated by Securities Investors Association (Singapore).
- On 22 October 2019, KrisEnergy announced the non-payment of relevant redemption amounts for each of the 2022 Notes, 2023 Notes and 2024 ZCNs notwithstanding the occurrence of redemption events and the submission of any completed exercise notice. See announcement entitled *Updates on restructuring process – Non-payment of redemption amounts under the Notes* dated 22 October 2019.
- On 13 November 2019, KrisEnergy submitted an application for a three-month extension of the moratorium and on 27 November 2019, the Singapore High Court granted the moratorium extension until 26 February 2019. See announcements entitled *Updates on restructuring process – (1) Application for an extension of the moratorium and (2) Pre-Trial Conference date* dated 15 November 2019 and *Updates on restructuring process – Outcome of moratorium extension application* dated 27 November 2019.
- On 17 February 2020, KrisEnergy applied for a 2nd extension of the moratorium and on 24 February 2020, the Singapore High Court granted the moratorium extension until 27 May 2020. See announcements entitled *Updates on restructuring process – (1) Application for 2nd extension of the moratorium and (2) Hearing date* dated 17 February 2020 and *Updates on restructuring process – Outcome of 2nd moratorium extension application* dated 25 February 2020.
- On 20 February 2020, the Company announced the non-payment of certain obligations due to the financial condition of the Group:
 - interest payable under the 2022 Notes amounting to S\$2,708,160 due 9 December 2019;
 - principal and interest payable under the term facility agreements to each of HSBC and SCB amounting to US\$4,510,470.64 in aggregate due on 21 February 2020; and
 - interest payable under the 2023 Notes amounting to S\$4,164,000 due on 22 February 2020.

See announcement entitled *Updates on restructuring process – Updates on further non-payment of principal and interest* dated 20 February 2020.

Further details of the restructuring process since 31 March 2020 may be found under paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.

- **Total Debt & Gearing:** As at 31 March 2020, total debt recognised on the Group's balance sheet amounted to US\$505.3 million and the Group's gearing was 146.4%.
 - The Group's revolving credit facility ("RCF"), as provided by DBS Bank Ltd ("DBS"), will mature on 30 June 2020. As such, the amount drawn as at 31 March 2020 of US\$196.7 million has been classified as current liability; and
 - Pursuant to the Moratorium Application, the 2022 Notes, 2023 Notes, 2024 ZCNs and unsecured term loans are repayable on demand. Hence, the

carrying amount of the debt as at 31 March 2020 has also been classified as current liability.

- **Net Capital Deficiency:** In 1Q2020, the Group recorded a loss after tax of US\$14.1 million, resulting in a net capital deficiency position of US\$160.1 million and net current liabilities of US\$539.4 million as at 31 March 2020.

First Quarter 2020 Operational Update

Due to COVID-19, KrisEnergy activated its business continuity plan in February 2020 and implemented health and safety measures in all offices and field locations as mandated by host government authorities. Non-essential personnel were removed from field operations and shift rotations were lengthened at the KrisEnergy-operated Bangora gas field, onshore Bangladesh, and the Wassana oil field, offshore in the Gulf of Thailand.

In the early months of 2020, a sharp contraction in oil demand due to the COVID-19 pandemic amid an unprecedented oil supply glut wreaked havoc in oil markets and prices plunged to some of the lowest levels in two decades. Global benchmark Brent crude oil futures averaged US\$64.05/bbl in January 2020 and US\$26.97/bbl in April 2020, a drop of almost 60.0%.

Production

- Gross production in the KrisEnergy-operated Wassana oil field averaged 3,605 bopd in 1Q2020 and the Group's working interest production averaged 3,208 bopd. There have been three liftings to date in 2020: 249,747 barrels, 231,149 barrels and 195,565 barrels were lifted in February, April and May, respectively. Further details of Wassana production may be found in paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.
- Gross production in 1Q2020 in the KrisEnergy-operated Bangora gas field averaged 96.8 million cubic feet per day ("**mmcf**d") and 294 barrels of condensate per day. KrisEnergy's working interest production averaged 4,929 boepd.
 - Bangora gas production in the first two months of the year averaged in excess of 100 mmcf. In the first half of March 2020, the state gas distribution company requested intermittent reductions of 10.0% to 15.0% in supplies to the national grid. Bangora output was further restricted to 50 mmcf at the direction of the Ministry of Power, Energy and Mineral Resources as a result of reduced demand due to a nationwide public holiday and government controls to limit the spread of COVID-19. A further cutback to 28 mmcf was implemented in early April 2020 and three of five Bangora development wells were shut in.
 - Production of associated condensate at the Bangora field is approximately 3 barrels per 1 mmcf and therefore condensate production at the field was reduced proportionately.
 - The government restrictions were lifted in early May 2020 and full production from all five wells was restored on 8 May 2020 at a little over 100 mmcf.
- Gross production in the non-operated B8/32 fields in 1Q2020 averaged 19,106 bopd and 65.7 mmcf. KrisEnergy's working interest production averaged 1,393 boepd.
 - Eight infill wells have been drilled so far in 2020 and a further 11 wells commenced drilling in May 2020 and are expected to be put into production in August 2020 to complete the 2020 infill program.

Cambodia Apsara Oil Development

As previously disclosed on 30 April 2020, the Cambodian government has extended the deadline for first oil production to be achieved by 31 December 2020, failing which consequences could include the termination of the concession rights for Cambodia Block A. See announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.

The Block A Apsara oil development project continued to progress in 1Q2020 although increasingly restrictive COVID-19 measures disrupted the movement of personnel and delays appeared in the supply chain of materials and equipment.

On 27 April 2020, the Singapore Government directed all work to be suspended in Singapore shipyard facilities until 1 June 2020, including the Gul dry dock where the *Ingenium II* production barge for the Apsara development is under upgrade and refurbishment. Personnel were permitted entry to the Gul yard on 2 June 2020 to resume works.

- The *Ingenium II* production barge has reached approximately 85.0% mechanical completion and testing began in late March 2020 of electrical systems and energising of the Uninterruptable Power Supply, which supplies all safety and emergency systems. Once mechanical completion is achieved, the vessel will go into one month of commissioning required for safety systems, fire and gas systems, power generation, process control systems, electrical power distribution systems, as well as accommodation and mooring systems.
- The jacket and topsides for the Apsara minimum facilities wellhead platform are under fabrication in Batam Island, Indonesia. Work at the facility has continued in 1Q2020 despite COVID-19 restrictions although at a reduced pace. The three decks of the topsides have been stacked and the full structure is complete. Integration of pipe work, electrical and instrument equipment has commenced. The fourth and final section of the jacket frame is due to be lifted into place imminently before welding commences to complete the jacket structure.
- A letter of agreement has been awarded for the transport and installation of the production barge and minimum facilities wellhead platform. Final contract negotiations are underway.
- The main electrical supply cable to electrify the wellhead platform from the production barge is ready for delivery ex-factory. A contract has been awarded for the production fluid transfer hoses for the transfer of produced fluids from the wellhead platform to the production barge for separation.
- The contract with the Port Authority of Sihanoukville has been finalised and is due to be signed imminently.

Concession Updates

- The KrisEnergy-operated Bala-Balakang production sharing contract (“PSC”) in the Makassar Strait, Indonesia, expired on 18 December 2019.

- The Indonesian authorities approved an application to extend the KrisEnergy-operated Sakti PSC into the second phase exploration period for four years. The first exploration phase expired on 25 February 2020 and was extended to 25 February 2024. The gross acreage of the contract area was reduced to 989 sq. km from 3,719 sq. km. The Sakti PSC lies adjacent to the Bulu PSC where the Lengo gas development is located and would provide a gas aggregation opportunity if exploration is successful.
- In February 2020, the Company's wholly-owned subsidiary KrisEnergy (Vietnam 115) Ltd. entered into a farm-out agreement for the transfer of its entire 100.0% working interest in Block 115/09, offshore Vietnam. The transfer of the exploration block working interest and operatorship is subject to a number of conditions including approvals from the relevant government authorities.

Capital Expenditure

As set out in the *Unaudited Full-Year 2019 Financial Statements Announcement* dated 28 February 2020, planned capital expenditure for 1Q2020 was estimated at US\$14.9 million. In 1Q2020, the Group incurred capital expenditure, excluding non-cash items, amounting to US\$9.3 million. The variance was mainly attributed to a delay in expenditure related to the Cambodia Block A development.

Planned capital expenditure for the second quarter 2020 is estimated to be approximately US\$22.5 million of which 97.6% will be utilised for development activities at the Cambodia Block A project.

	For the 3 months ending 30 June 2020
	<i>(unaudited)</i>
	<i>(US\$ thousands)</i>
Producing assets ⁽¹⁾	-
Assets under development ⁽²⁾	22,012.2
Non-producing assets ⁽³⁾	532.0
Total capital expenditure	22,544.2

Notes:

(1) Expenditure for G10/48 and Block 9

(2) Expenditure for assets under development, which include Cambodia Block A

(3) Expenditure for exploration assets, which include the Group's assets in Indonesian and Vietnam

The Group intends to fund planned capital expenditures through a combination of, including but not limited to, free cash flow from operations, the RCF and the project financing loan granted by Kepinvest Singapore Pte. Ltd. ("**Kepinvest**") (a subsidiary of Keppel Corporation Limited).

Actual capital expenditure may differ significantly from the amounts set out above due to various factors, including but not limited to, future cash flows, results of operations and financial condition, changes to the local economies in Bangladesh, Cambodia, Indonesia, Singapore, Thailand and Vietnam, in which the group has a business presence, the availability of financing on terms acceptable to us, matters relating to possible construction/development delays, defects or cost overruns, delays in obtaining or receipt of

governmental approval, acceleration or delays in our exploration and development programs, changes in the legislative and regulatory environment, and other factors that are beyond our control.



Financial Statements Announcement

First Quarter ended 31 March 2020

Figures for the three months ended 31 March 2020 have not been audited.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS

1 (a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	For the three months ended 31 March	
	2020	2019
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Sales of crude oil	15,672.5	21,595.3
Sales of gas	3,462.3	3,990.7
Revenue	19,134.8	25,586.0
Cost of sales:		
Operating costs	(4,257.5)	(3,491.8)
Thai petroleum royalties paid	(1,415.2)	(2,144.7)
Depreciation, depletion and amortisation	(18,774.4)	(21,360.2)
Gross loss	(5,312.3)	(1,410.7)
Other income	2,775.3	2,713.5
General and administrative expenses	(3,769.3)	(3,815.2)
Other operating income/(expenses)	7,470.0	(5,162.5)
Finance income	161.8	250.6
Finance costs	(14,666.6)	(12,696.7)
Loss before tax	(13,341.1)	(20,121.0)
Tax expense	(791.2)	(734.4)
Loss after tax for the period	(14,132.3)	(20,855.4)
Other comprehensive (loss)/income		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Exchange differences on translation of foreign operations	(73.0)	29.0
Total comprehensive loss for the period	(14,205.3)	(20,826.4)
Loss per share attributable to owners of the Company (cents per share)		
Basic	(0.9)	(1.4)
Diluted	(0.9)	(1.4)

1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	As at 31 March 2020 <i>(unaudited)</i>	As at 31 December 2019 <i>(audited)</i>	As at 31 March 2020 <i>(unaudited)</i>	As at 31 December 2019 <i>(audited)</i>
	<i>(US\$ thousands)</i>			
ASSETS				
Non-current assets				
Exploration and evaluation assets ¹	277,513.9	268,405.2	-	-
Oil and gas properties ¹	108,814.1	116,639.0	-	-
Right-of-use assets	14,899.9	25,110.5	-	-
Other property, plant and equipment	33,690.2	29,853.0	-	-
Intangible assets	8,444.9	8,444.9	-	-
Investment in subsidiaries	-	-	10,131.3	10,119.7
Other receivables	4,038.0	4,035.6	115,055.8	115,915.8
	447,401.0	452,488.2	125,187.1	126,035.5
Current assets				
Inventories	21,836.3	16,249.6	-	-
Trade and other receivables	47,524.1	45,857.0	0.4	2.7
Prepayments	7,905.0	7,900.2	130.7	41.7
Cash and bank balances	47,807.9	51,361.1	18.7	21.2
	125,073.3	121,367.9	149.8	65.6
Total Assets	572,474.3	573,856.1	125,336.9	126,101.1
EQUITY AND LIABILITIES				
Equity				
Share capital	1,878.6	1,878.6	1,878.6	1,878.6
Share premium	730,302.2	730,302.2	730,302.2	730,302.2
Other reserves	30,807.7	30,880.7	41,507.5	41,507.5
Accumulated losses	(923,090.9)	(908,958.6)	(1,012,260.6)	(1,010,788.9)
Total Capital Deficiency	(160,102.4)	(145,897.1)	(238,572.3)	(237,100.6)
Non-current liabilities				
Employee benefit liability	483.6	490.6	-	-
Lease liabilities	461.4	550.8	-	-
Derivative liabilities	20.5	2,324.5	20.5	2,324.5
Deferred tax liabilities	26,751.3	27,358.6	-	-
Provisions	25,372.5	24,753.7	-	-
Accrued operating expenses	15,054.7	11,239.8	-	-
Other payables	-	-	28,167.2	28,149.5
	68,144.0	66,718.0	28,187.7	30,474.0
Current liabilities				
Trade and other payables	103,553.0	86,775.4	21,166.3	17,286.4
Accrued operating expenses	37,057.0	35,281.4	5,913.5	4,764.2
Lease liabilities	15,193.2	25,573.0	-	-

Loans and borrowings	505,293.1	503,053.5	308,641.7	310,677.1
Withholding tax payable	218.1	401.0	-	-
Tax payable	3,118.3	1,950.9	-	-
	664,432.7	653,035.2	335,721.5	332,727.7
Total Liabilities	732,576.7	719,753.2	363,909.2	363,201.7
Total Equity and Liabilities	572,474.3	573,856.1	125,336.9	126,101.1

Notes:

- (1) The Company recognises that the valuation of its assets is dependent on, amongst other factors, the price of oil and gas. The Company periodically reviews its asset portfolio versus prevailing prices and the potential for any impairment of valuation. Given the current market conditions such as uncertainty over the COVID-19 pandemic, the enduring negative impact on economies, the pace of recovery in oil and gas demand, the production capacity adjustments by major oil producers, and therefore commodity prices, the Company considers that any meaningful valuation assessment of its assets is better undertaken when there is some level of stability of market conditions.

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 March 2020		As at 31 December 2019	
Secured ⁽¹⁾	Unsecured ⁽²⁾	Secured	Unsecured
<i>(US\$ thousands)</i>			
269,352.0	235,941.1	265,356.2	237,697.3

Amount repayable after one year

As at 31 March 2020		As at 31 December 2019	
Secured	Unsecured	Secured	Unsecured
<i>(US\$ thousands)</i>			
-	-	-	-

Notes:

- (1) Aggregate of the 2024 ZCNs and RCF. The RCF will mature on 30 June 2020.
(2) Aggregate of the 2022 Notes, 2023 Notes and unsecured term loans.

Details of any collateral

As at 31 March 2020, certain subsidiaries of the Company have assets pledged under the RCF. On 29 March 2018, the RCF was extended by two years to 30 June 2020. There were no changes to the existing terms and conditions of the RCF. On 9 April 2018, DBS provided the Bridge Upsize under the RCF for a period of up to three months to support the Group's liquidity requirements. On 5 July 2018, the Bridge Upsize was extended for three months to 8 October 2018, and subsequently for another three months to 8 January 2019. On 8 January 2019, the Bridge Upsize was extended monthly to 8 February 2019, 8 March 2019 and subsequently to 8 April 2019. On 4 April 2019, DBS increased the RCF by an amount which would not result in the total commitments exceeding US\$200 million, whereby DBS provided an additional commitment of US\$31.7 million (the "RCF Upsize") under the RCF and the Bridge Upsize was subsumed under the RCF. Arrangement fees paid to DBS on the RCF extension, Bridge Upsize and RCF Upsize amounted to US\$2.7 million.

The 2024 ZCNs, issued under the terms of the Preferential Offering, have a first ranking security interest over the shares and certain accounts of SJ Production Barge Ltd., a wholly-owned subsidiary of the Company, and a junior ranking security interest over the assets secured or to be secured from time to time under the RCF.

For further information on the RCF security, see the offering circular for the Preferential Offering dated 6 January 2017, the final information memorandum in relation to the 2022 Notes and 2023 Notes dated 11 January 2017 and the announcement entitled *Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)* dated 14 August 2019.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	For the three months ended 31 March	
	2020	2019
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Operating activities		
Loss before tax	(13,341.1)	(20,121.0)
<u>Adjustments to reconcile loss before tax to net cash flows</u>		
Depreciation, depletion and amortisation	8,721.8	11,418.1
Depreciation of other property, plant and equipment	126.1	7.8
Depreciation of right-of-use assets	10,186.3	10,076.2
Employee defined benefits	(7.0)	37.5
Equity-settled share transactions with employees	-	59.9
Net fair value (gain)/loss on financial instruments	(2,247.5)	514.7
Unrealised foreign exchange loss on financial instruments	(6,864.3)	4,858.0
Finance cost	8,822.2	6,576.6
Unwinding of discount on bonds	4,772.5	4,308.3
Unwinding of discount on decommissioning provisions	618.8	555.2
Unwinding of discount on lease liability	453.1	1,256.6
Interest income	(161.8)	(250.6)
Operating cash flows before changes in working capital	11,079.1	19,297.3
Inventories	(5,586.7)	(5,717.9)
Trade and other receivables	(1,674.4)	(1,945.6)
Trade and other payables	6,250.6	1,990.4
Cash flows generated from operations	10,068.6	13,624.2
Interest received	161.8	250.6
Interest paid	(1,688.4)	(4,105.5)
Net cash from operating activities	8,542.0	9,769.3
Investing activities		
Additions to exploration and evaluation assets	(9,108.7)	(7,442.6)
Additions to oil and gas properties	(896.8)	(13,388.8)
Expenditure on assets refurbishment	(114.3)	(74.6)
Purchase of other property, plant and equipment	(142.7)	(111.9)
Net cash used in investing activities	(10,262.5)	(21,017.9)
Financing activities		
Lease payments	(5,675.3)	(7,719.2)
Financial restructuring expense	(359.9)	-
Payment of bond interest	-	(3,076.9)
Proceeds from bank borrowings	4,275.0	-

Net cash used in financing activities	(1,760.2)	(10,796.1)
Net decrease in cash and cash equivalents	(3,480.7)	(22,044.7)
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(72.5)	28.5
Cash and cash equivalents at beginning of the period	45,091.1	69,336.4
Cash and cash equivalents at end of the period	41,537.9	47,320.2
Restricted cash	6,270.0	8,270.0
Cash and bank balances at end of the period	47,807.9	55,590.2

As at 31 March 2020, aggregate cash and cash equivalents were US\$41.5 million compared with US\$47.3 million as at 31 March 2019 and unused sources of liquidity as at 31 March 2020 amounted to US\$4.9 million.

Net Cash Flow from Operating Activities

In 1Q2020, net cash from operations amounted to US\$8.5 million compared with US\$9.8 million in 1Q2019 as a result of movements in working capital.

Net Cash Flow used in Investing Activities

In 1Q2020, net cash used in investing activities amounted to US\$10.3 million compared with US\$21.0 million in 1Q2019. Material movements in capital expenditure include (i) development activities in Cambodia Block A of US\$8.6 million; and (ii) ongoing ordinary course of business expenditure in B8/32 and G10/48 of US\$0.9 million.

Net Cash Flow from Financing Activities

In 1Q2020, net cash used in financing activities amounted to US\$1.8 million compared with US\$10.8 million in 1Q2019. In 1Q2020, US\$4.3 million was drawn from the RCF Upsize, and the Group made principal lease payments on the right-of-use assets of US\$5.7 million. Financial restructuring expenses paid in 1Q2020 amounted to US\$0.4 million.

Borrowings

As at 31 March 2020, the total amount drawn on the RCF and RCF Upsize was US\$196.7 million. Unused sources of liquidity (comprising cash and cash equivalents and undrawn amounts from the RCF) amounted to US\$4.9 million. Gearing as at 31 March 2020 was 146.4%.

The Group's RCF, as provided by DBS, will mature on 30 June 2020. As such, the amount drawn as at 31 March 2020 of US\$196.7 million has been classified as current liability.

Pursuant to the Moratorium Application, the 2022 Notes, 2023 Notes, 2024 ZCNs and unsecured term loans are repayable on demand. Hence, the carrying amount of the debt as at 31 March 2020 has also been classified as current liability.

1 (d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Total Equity
	(US\$ thousands)						
At 1 January 2020	1,878.6	730,302.2	(908,958.6)	(1,945.7)	1,207.2	31,619.2	(145,897.1)
Loss net of tax	-	-	(14,132.3)	-	-	-	(14,132.3)
<u>Other comprehensive income:</u>							
Exchange differences on translation of foreign operations	-	-	-	(73.0)	-	-	(73.0)
Total comprehensive loss for the period	-	-	(14,132.3)	(73.0)	-	-	(14,205.3)
At 31 March 2020	1,878.6	730,302.2	(923,090.9)	(2,018.7)	1,207.2	31,619.2	(160,102.4)

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Total Equity
	(US\$ thousands)						
At 1 January 2019	1,878.6	730,302.2	(740,150.0)	(1,923.5)	1,012.1	31,619.2	22,738.6
Loss net of tax	-	-	(20,855.4)	-	-	-	(20,855.4)
<u>Other comprehensive income:</u>							
Exchange differences on translation of foreign operations	-	-	-	29.0	-	-	29.0
Total comprehensive loss for the period	-	-	(20,855.4)	29.0	-	-	(20,826.4)
Equity-settled share transactions with employees	-	-	-	-	59.9	-	59.9
At 31 March 2019	1,878.6	730,302.2	(761,005.4)	(1,894.5)	1,072.0	31,619.2	1,972.1

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	General Reserve	Total Equity
	(US\$ thousands)					
At 1 January 2020	1,878.6	730,302.2	(1,010,788.9)	1,207.2	40,300.3	(237,100.6)
Loss net of tax	-	-	(1,471.7)	-	-	(1,471.7)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,471.7)	-	-	(1,471.7)
At 31 March 2020	1,878.6	730,302.2	(1,012,260.6)	1,207.2	40,300.3	(238,572.3)

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	General Reserve	Total Equity
	(US\$ thousands)					
At 1 January 2019	1,878.6	730,302.2	(559,149.4)	1,012.1	40,300.3	214,343.8
Loss net of tax	-	-	(12,897.1)	-	-	(12,897.1)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(12,897.1)	-	-	(12,897.1)
Grant of equity-settled transactions with employees	-	-	-	59.9	-	59.9
At 31 March 2019	1,878.6	730,302.2	(572,046.5)	1,072.0	40,300.3	201,506.6

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

The Company does not hold any treasury shares or have any subsidiary holdings as at 31 March 2020 (31 March 2019: Nil).

KrisEnergy Employee Share Option Scheme (“KrisEnergy ESOS”)

The KrisEnergy ESOS was implemented and adopted during the Company's initial public offering (“**IPO**”). The duration of the KrisEnergy ESOS is 10 years commencing from 10 July 2013. As at 31 March 2020, there were no outstanding options under the KrisEnergy ESOS.

KrisEnergy Performance Share Plan (“KrisEnergy PSP”)

The KrisEnergy PSP was implemented and adopted during the IPO. The duration of the KrisEnergy PSP is 10 years commencing from 10 July 2013. The awards granted under the KrisEnergy PSP are as follows:

- As disclosed and further described in the Prospectus dated 12 July 2013, under the management shareholders awards (“**MS-Awards**”) granted pursuant to the KrisEnergy PSP during the IPO, up to 3.0% (issued under equal First Tranche and Second Tranche) of the issued ordinary shares in the capital of the Company (“**Shares**”) may be vested upon the satisfaction of the conditions of the MS-Awards. Following the exit of First Reserve Fund, XII LP on 6 April 2018, the First Tranche Condition (as defined in the Prospectus) had been satisfied. However, in accordance with and as permitted under the terms of the MS-Awards, as the Company does not have sufficient distributable reserves or amounts credited to its premium account at the relevant junctures to make the required issue of Shares (being the first one-third and the next one-third of the First Tranche), the Company has determined to pay a cash sum equal to the aggregate fair market value of the Shares that would otherwise have been issued. The cash sum has been paid for the first one-third of the First Tranche, while the cash sum will be paid on a delayed basis for the next one-third of the First Tranche (taking into account cash reserves and budgeted commitments for the following 12 months).
- On 13 November 2013, awards comprising 5,429,689 Shares were granted to employees, including 963,624 Shares to the Executive Directors.

- On 25 June 2014, awards comprising 1,713,111 Shares were granted to employees, including 963,624 Shares to the Executive Directors.
- On 31 December 2014, awards comprising 3,473,737 Shares were granted to employees, including 1,680,840 Shares to the Executive Directors.
- On 17 March 2015, awards comprising 647,325 Shares were granted to employees. No awards were granted to any Executive Directors.
- On 9 November 2015, awards comprising 11,613,474 Shares were granted to employees, including 1,622,244 Shares to the Executive Directors.

As at 31 March 2020, there were no outstanding awards under the KrisEnergy PSP.

The awards allotted and issued under the KrisEnergy PSP are as follows:

- On 21 July 2014, pursuant to the partial vesting of awards granted on 13 November 2013 under the KrisEnergy PSP, 1,809,898 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.
- On 20 July 2015, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 2,025,674 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.
- On 31 December 2015, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP 3,916,835 Shares were allotted and issued to employees, including 540,747 Shares to Executive Directors.
- On 19 July 2016, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 1,921,278 Shares were allotted and issued to employees, including 214,140 Shares to Executive Directors.
- On 30 December 2016, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,649,501 Shares were allotted and issued to employees, including 360,498 Shares to Executive Directors.
- On 19 July 2017, pursuant to the partial vesting of awards granted on 17 March 2015 under the KrisEnergy PSP, 205,154 Shares were allotted and issued to employees.
- On 29 December 2017, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,010,511 Shares were allotted and issued to employees, including 288,400 Shares to Executive Directors.

On 2 February 2017, along with the 2024 ZCNs, 1,255,183,632 Warrants were issued by the Company. Each Warrant converts to one share in the ordinary share capital of the Company.

On 17 February 2017 and 7 March 2017, 9,000 Warrants and 2,376 Warrants were exercised and converted into 9,000 Shares and 2,376 Shares, respectively.

As at 31 March 2020, the Company's issued share capital was 1,502,849,065 Shares and 1,255,172,256 outstanding Warrants.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year

SHARE CAPITAL	As at 31 March 2020		As at 31 December 2019	
	<i>(unaudited)</i>		<i>(audited)</i>	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,502,849,065	1,878,562	1,502,849,065	1,878,562
At reporting date	1,502,849,065	1,878,562	1,502,849,065	1,878,562
SHARE PREMIUM	As at 31 March 2020		As at 31 December 2019	
	<i>(unaudited)</i>		<i>(audited)</i>	
		US\$		
At 1 January		730,302,151		730,302,151
At reporting date		730,302,151		730,302,151

1 (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of treasury shares as at 31 March 2020 (31 March 2019: Nil).

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 31 March 2020 (31 March 2019: Nil).

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The financial statements have not been audited or reviewed by the Group's external auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2019, except for those disclosed under paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new and revised standards that are effective for annual periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	For the three months ended 31 March	
	2020	2019
Loss per share attributable to owners of the Group:		
(i) Based on a weighted average number of shares (cents per share)	(0.9)	(1.4)
- Weighted average number of shares	1,502,849,065	1,502,849,065
(ii) On a fully diluted basis (cents per share)	(0.9)	(1.4)
- Adjusted weighted average number of shares	1,502,849,065	1,508,035,913

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	The Group		The Company	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	<i>(Unaudited)</i> <i>(US\$)</i>			
Net asset value per ordinary share ⁽¹⁾	(0.11)	(0.10)	(0.16)	(0.16)
Net tangible asset per ordinary share ⁽¹⁾	(0.11)	(0.10)	(0.16)	(0.16)

Note:

(1) Based on share capital of 1,502,849,065 ordinary shares as at 31 March 2020 and 31 December 2019

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The following table sets forth a selected summary of our income statement for the first quarter ended 31 March 2020.

	For the three months ended 31 March	
	2020	2019
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Sales of crude oil	15,672.5	21,595.3
Sales of gas	3,462.3	3,990.7
Revenue	19,134.8	25,586.0
Cost of sales:		
Operating costs	(4,257.5)	(3,491.8)
Thai petroleum royalties paid	(1,415.2)	(2,144.7)
Depreciation, depletion and amortisation	(18,774.4)	(21,360.2)
Gross loss	(5,312.3)	(1,410.7)
Other income	2,775.3	2,713.5
General and administrative expenses	(3,769.3)	(3,815.2)
Other operating income / (expenses)	7,470.0	(5,162.5)
Finance income	161.8	250.6
Finance costs	(14,666.6)	(12,696.7)
Loss before tax	(13,341.1)	(20,121.0)
Tax expense	(791.2)	(734.4)
Loss after tax for the period	(14,132.3)	(20,855.4)

Revenue

Working interest production in 1Q2020 averaged 9,530 boepd, 5.8% lower than the same period last year (1Q2019: 10,120 boepd), mainly as a result of lower production from B8/32 and Wassana field in G10/48.

Lower production volumes and average realised selling price for oil and liquids resulted in a 25.2% decrease in 1Q2020 revenue to US\$19.1 million (1Q2019: US\$25.6 million).

The average realised price for oil and liquids in 1Q2020 was US\$51.99/bbl, a 10.7% decrease compared to a year ago (1Q2019: US\$58.20/bbl) mainly as a result of lower benchmark oil prices. The average realised gas price for the B8/32 licence decreased 5.1% to US\$4.81/mcf (1Q2019: US\$5.07/mcf) in line with the 4Q2019 price. The realised gas price from the onshore Bangladesh Bangora field in Block 9 remained flat at US\$2.32/mcf.

	For the three months ended 31 March	
	2020	2019
Production volumes		
Oil and liquids (bopd)	4,182	4,643
Gas (mmcf)	32.1	32.9
Total (boepd)	9,530	10,120
Average sales price		
Oils and liquids (US\$/bbl)	51.99	58.20
Gas – B8/32 and B9A (US\$/mcf)	4.81	5.07
Gas – Block 9 (US\$/mcf)	2.32	2.32

Cost of Sales

Following the adoption of IFRS 16 effective 1 January 2019, operating costs amounted to US\$4.3 million in 1Q2020 (1Q2019: US\$3.5 million), as the bareboat charters for the Wassana field operations – namely the MOPU and FSO – are accounted for as DD&A. However, adjusted operating cost per EBITDAX computation in 1Q2020 was US\$13.6 million (1Q2019: US\$13.4 million). The slight increase was primarily a result of lower production in the Wassana field and, as operating expenditure is largely fixed, the operating cost attributable to the crude oil barrels lifted is consequentially higher. In accordance with the Group's accounting policies and industry practice, operating costs are incurred and matched with revenue earned at the time of offtake. Hence, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue earned.

Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 1Q2020, the average lifting cost was US\$23.25/boe compared with US\$22.00/boe for 1Q2019. The 5.7% increase was attributed to lower production volumes related to the Wassana and B8/32 assets.

DD&A charges decreased 12.1% in 1Q2020 to US\$18.8 million (1Q2019: US\$21.4 million) in line with lower production and lower asset carrying value due to impairment charges recognised by the Group in 2019.

	For the three months ended 31 March	
	2020	2019
Average lifting cost ⁽¹⁾		
Oil, liquids and gas (US\$/boe)	23.25	22.00
Net operating expenditure (US\$'000)	20,164.6	20,034.7
Total production (boe)	867,234	910,834

Note:

(1) Average lifting cost reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period.

Other Income

Other income increased 2.3% to US\$2.8 million in 1Q2020 (1Q2019: US\$2.7 million) due to higher income from technical services provided to joint operations.

General and Administrative Expenses

General and administrative expenses was flat at US\$3.8 million. The slight decrease was primarily attributable to lower professional fees for 1Q2020.

Other Operating Expenses

Other operating income amounted to US\$7.5 million in 1Q2020 as a result of net fair value on financial instruments of US\$2.2 million and net foreign exchange gain of US\$5.2 million. In 1Q2019, other operating expenses of US\$5.2 million was due to net foreign exchange losses of US\$4.7 million and net fair value loss on financial instruments of US\$0.5 million.

Finance Income

Finance income decreased 35.4% to US\$0.2 million (1Q2019: US\$0.3 million) as a result of lower average bank balances for the period.

Finance Costs

Finance costs increased 15.5% to US\$14.7 million in 1Q2020 (1Q2018: US\$12.7 million). The increase was mainly due to (i) higher bank loan interest on the RCF; and (ii) higher default interest expenses on the 2022 Notes, 2023 Notes and 2024 ZCNs.

Loss Before Tax

Loss before tax was US\$13.3 million in 1Q2020 (1Q2019: US\$20.1 million) as a result higher gross loss and increased finance costs, partially offset by other operating income recognised for the period.

Tax Expense

Tax expense increased 7.7% to US\$0.8 million in 1Q2020 (1Q2019: US\$0.7 million) due to a higher provision of tax expenses.

Loss After Tax

We recorded a net loss of US\$14.1 million in 1Q2020 (1Q2019: US\$20.9 million) as a result of the above-mentioned factors.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was previously provided.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

After the unprecedented turbulence in oil markets in the first four months of 2020, there appears to be the start of a recovery in oil prices and demand in May 2020 as governments gradually lift COVID-19 restrictions and major petroleum producers significantly reduce supplies to try and bring some balance back to fundamentals. The outlook depends on the duration of the COVID-19 outbreak and the strength of restart of economic activity. However, should there be a widespread second wave of COVID-19, oil demand may struggle to return

to levels prior to the pandemic in the longer term, which would have a negative impact on oil prices. The Company recognises that the valuation of its assets is dependent on, amongst other factors, the price of oil and gas. The Company periodically reviews its asset portfolio versus prevailing prices and the potential for any impairment of valuation. Given the current market conditions such as uncertainty over the COVID-19 pandemic, the enduring negative impact on economies, the pace of recovery in oil and gas demand, the production capacity adjustments by major oil producers, and therefore commodity prices, the Company considers that any meaningful valuation assessment of its assets is better undertaken when there is some level of stability of market conditions.

Recent Developments

- On 1 April 2020, the Company applied to Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for an extension of time to (a) hold the annual general meeting for the financial year ended 31 December 2019 (“**FY2019**”) from the deadline of 30 April 2020 to 29 June 2020 and the consequential extension of time for the issue of the Company’s annual report for FY2019 (including the FY2019 audited financial statements) from the current deadline of 15 April 2020 to 12 June 2020; and (b) announce the Company’s unaudited financial statements for 1Q2020 from the deadline of 14 May 2020 to 15 June 2020. On 4 May 2020, SGX-ST granted the waiver. See announcements entitled *Application for extension of time to comply with Rules 705(2) and 707(1) of the Listing Manual* dated 1 April 2020 and *Approval of the Extension Application to comply with Rules 705(2) and 707(1) of the Listing Manual* dated 4 May 2020.
- On 8 April 2020, KrisEnergy announced the completion of the disposal of the Andaman II PSC in Indonesia to BP Exploration Operating Company Limited (“**Buyer**”). The consideration for the disposal was US\$15.0 million, subject to a retention sum of US\$1.7 million which may be used by the Buyer to offset against any payment obligations that may become due from the completion date until 31 December 2021. Pursuant to the terms of the Group’s revolving credit facility with DBS, the proceeds from the disposal were to be held in a collection account over which DBS has security. See announcement entitled *KrisEnergy completes disposal of Andaman II PSC* dated 8 April 2020.
- On 27 April 2020, KrisEnergy announced that its wholly-owned subsidiary, KrisEnergy (Gulf of Thailand) Ltd (“**KEGOT**”), had issued proceedings in the High Court of Justice Business and Property Courts of England and Wales against Rubicon Vantage International Pte Ltd (“**Rubicon**”) seeking, *inter alia*, (i) damages for breaches of the bareboat charter; (ii) damages for misrepresentation; and (iii) an indemnity in respect of the judgement amount previously awarded by the English High Court. The Company also announced that an affiliate of Rubicon, Maritime International Services Pte Ltd (“**Maritime**”), has sought to make a demand against the Company in relation to a parent company guarantee (“**O&M Guarantee**”) to secure the performance of KEGOT’s obligations to Maritime under a contract for the operations and maintenance of the *Rubicon Vantage* FSO facility dated October 2014. Maritime is seeking payment under the O&M Guarantee in respect of the sum of approximately US\$5.4 million. Furthermore, Rubicon filed a further statutory demand (service deemed effected on 27 May 2020) for approximately US\$0.92 million in the Cayman Islands against KEGOT.

The Company has since terminated the bareboat charter. See announcement entitled *Update on Legal Proceedings with Rubicon* dated 27 April 2020 and 3 June 2020.

- On 30 April 2020, the indirect wholly-owned subsidiaries KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd, entered into a credit facility agreement with Kepinvest Singapore Pte. Ltd. (a subsidiary of Keppel Corporation Limited) for the aggregate principal amount of up to US\$87 million to fund the development of the Apsara oil field in Cambodia Block A (“**CBA Loan Facility**”). See announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.
- On 19 May 2020, the Board of Directors confirmed Ms Joanne Ang, the Group’s interim Chief Financial Officer (“**CFO**”), as permanent CFO with immediate effect. See announcement entitled *KrisEnergy confirms interim CFO as permanent* dated 19 May 2020.
- On 29 May 2020, KrisEnergy submitted an application for a 3rd extension of the moratorium and this application will be heard on 18 June 2020 at 10 a.m.. See announcements entitled *Updates on restructuring process – Application for 3rd extension of the moratorium* dated 29 May 2020 and *Updates on restructuring process – Hearing date for the application for 3rd extension of the moratorium* dated 1 June 2020.
- Oil prices recovered somewhat in May 2020 to US\$30.00/bbl to US\$35.00/bbl. However, in view of the many uncertainties ahead – the duration of the COVID-19 pandemic, speed of global economic regeneration and recovery in petroleum demand, and the magnitude and sustainability of any upturn in oil prices, and with consideration for the field operating cost, production at the KrisEnergy-operated Wassana oil field was suspended in early June 2020. The Company has informed the relevant authorities in Thailand of the suspension. Agreements with respect to the FSO have been terminated. The Company is in discussions regarding the warm-stacking of the MOPU with a skeleton crew and supported from the Songkhla shorebase. Due to the suspension of Wassana production, the Company will reduce its workforce in Thailand by approximately 25.0%. The Company is currently assessing the full financial impact of the suspension to be recognised in the financial period ended 30 June 2020. See announcement entitled *KrisEnergy suspends Wassana oil field due to oil price* dated 3 June 2020.
- The Company published its 2019 Annual Report and Notice of Annual General Meeting on 5 June 2020. The Group’s financial statements for the period ending 31 December 2019 were prepared on a going concern basis. The Group’s auditors, Deloitte & Touche LLP, issued its view, as stated in the audited consolidated full-year 2019 financial statements, that material uncertainty exists over the Group’s ability to continue as a going concern. See announcement entitled *Independent Auditor Assessment of Material Uncertainty Related to Going Concern on the Audited Consolidated Financial Statements for the Financial Year ended 31 December 2019* dated 3 June 2020.
- On 9 June 2020, the Company announced the non-payment of certain obligations due to the financial condition of the Group:
 - interest payable under the 2022 Notes amounting to S\$2,708,160 due 9 June 2020;

See announcement entitled *Updates on restructuring process – Updates on further non-payment of interest* dated 9 June 2020.

- On 10 June 2020, the Company published a Circular to Shareholders and Notice of Extraordinary General Meeting in relation to the provision of the CBA Loan Facility by Kepinvest as an interested person transaction.

11. Dividend

(a) Any dividend declared for the current financial period reported on

None.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision

Due to the Group's accumulated losses, no dividend has been declared or recommended for the three months ended 31 March 2020.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have an existing general mandate for the financial year ending 31 December 2020.

14. Negative confirmation pursuant to Rule 705(5)

Pursuant to Rule 705(5), we, Tan Ek Kia and Kelvin Tang, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial results for the three months ended 31 March 2020 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

On behalf of the board of directors.

Tan Ek Kia
Independent Non-Executive Chairman

Kelvin Tang
Executive Director &
Chief Executive Officer

Singapore, 11 June 2020