



KrisEnergy Ltd. provides an operational update

Singapore, 6 May 2020 – KrisEnergy Ltd. (“KrisEnergy” or “the Company”), an independent upstream oil and gas company, wishes to provide the following operational update.

The decimation of oil prices in the first four months of 2020 to the lowest levels in two decades due to the COVID-19 pandemic, the devastating impact on demand for oil and gas and an unprecedented supply glut have presented monumental challenges to oil and gas operators across the globe.

Analysts, institutions and energy think-tank organisations anticipate significant market turbulence ahead as the extent of the pandemic continues to emerge.

Business continuity

In view of COVID-19, KrisEnergy has activated its business continuity plan and has implemented health and safety measures in all offices and field locations as mandated by host government authorities. Office staff are working remotely, and steps have been taken to remove all non-essential personnel from field operations and lengthen shift rotations at the KrisEnergy-operated Bangora gas field, onshore Bangladesh, and the Wassana oil field, offshore in the Gulf of Thailand.

The Company is working with suppliers and contractors to maintain smooth and timely operations and resolve any anticipated disruptions to deliveries of equipment and materials as a result of logistical delays and/or travel restrictions for personnel due to COVID-19.

The Company continues to work with its advisors and stakeholders to implement its financial restructuring and to advance the development of the Apsara oil field in the Cambodian sector of the Gulf of Thailand.

Production

Wassana oil field, G10/48

Gross production in the KrisEnergy-operated Wassana oil field averaged 3,605 barrels of oil per day (“bopd”) in the first quarter of 2020 (“1Q2020”). KrisEnergy’s working interest production averaged 3,208 bopd. There have been two liftings to date in 2020: 249,747 barrels and 231,149 barrels were lifted in February 2020 and April 2020, respectively.

In view of current oil market volatility and the imminent expiry of certain equipment charters, KrisEnergy is undertaking a review of the commerciality of the Wassana field at current oil price levels and future projected levels. The Company will inform all stakeholders of the result of the review and subsequent actions as soon as is practicably possible.

Bangora gas field, Block 9

Gross production in 1Q2020 in the KrisEnergy-operated Bangora gas field averaged 96.8 million cubic feet per day (“mmcf”) and 294 barrels of condensate per day. KrisEnergy’s working interest production averaged 4,929 barrels of oil equivalent per day (“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, Gas Transmission Company Limited, requested intermittent reductions of 10.0% to 15.0% in supplies to the national grid. From end March 2020, Bangora output was curtailed at the direction of the Ministry of Power, Energy and Mineral Resources by 50.0% to 50 mmcf 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 until further government notice. Three Bangora development wells are shut-in due to the production cuts and two wells are producing.

B8/32 oil and gas complex, Gulf of Thailand

Gross production in the non-operated B8/32 fields in 1Q2020 averaged 19,106 bopd and 65.7 mmcf¹. KrisEnergy's working interest production averaged 1,393 boepd.

To date in 2020, seven infill wells have been drilled, completed and placed into production as part of an eight-well campaign of which one well was included in the 2019 count of 43 wells. An additional 16 wells are scheduled in 2020, however, the operator is re-evaluating the drilling schedule for this year.

Oil prices

The oil markets are encountering unparalleled volatility.

On 20 April 2020, US benchmark West Texas Intermediate ("WTI") traded below zero for the first time in history to touch an intra-day low of minus US\$40.32 per barrel ("bbl"). The sudden and unprecedented plummet in WTI prices came the day before the front-month futures contract was due to expire resulting in holders of WTI contracts being obliged to take physical delivery of barrels of crude oil at a time of already brimming storage tanks due to immense demand destruction as a result of worldwide measures to curtail the COVID-19 pandemic.

WTI is the main oil benchmark for North American markets. In Asia, the predominant marker crudes are Brent and Dubai. These benchmarks have been significantly negatively impacted by the deteriorating economic outlook and supply/demand fundamentals but to a lesser extent so far in 2020. The structure of the Brent and Dubai future markets differ from WTI as expiry of Brent and Dubai contracts is based on flexible settlement (either cash settlement or physical settlement without specified location) unlike WTI's physical barrels (where settlement has to be made by delivery in Cushing, Oklahoma), therefore reducing the immediate need of storage facilities. In Oklahoma available spare storage capacity is severely limited.

¹ As at 1 October 2019, gas sales from B8/32 were permanently reduced. The daily contracted sales quantity/maximum contracted quantity was reduced from 65/75 mmcf to 45/51.75 mmcf. Notification of the reduced volumes was provided to the joint-venture partners and the offtaker 12 months prior to the reduction



Dubai is the benchmark for KrisEnergy's crude oil and liquid sales in the Gulf of Thailand. The average monthly prices for the first four months of 2020 have declined as shown:

Platts Dubai 1 st month ²	Monthly average (US\$/bbl)
January 2020	64.29
February 2020	54.22
March 2020	33.70
April 2020	20.39

The Company anticipates that average realised prices for oil and liquids sales in Thailand will track the trajectory of the Dubai benchmark in the first four months 2020 with a corresponding impact on Group revenue in the year to date, the magnitude of which will be dependent on the timing of offloading schedules and prevailing market prices.

The price of associated condensate liquids produced at the Bangora gas field is based on the average monthly benchmark price quotation for Indonesian Attaka crude on a free-on-board ("FOB") basis. The Company anticipates that the Bangora condensate price, and therefore revenues, may be negatively impacted by the prevailing market volatility.

Gas prices

Bangora, Block 9, Bangladesh

The Bangora gas price is set at 75.0% of the average for each calendar month of Platts' quotations for high sulphur fuel oil 180 CST FOB Singapore with a floor price of US\$70.00 per metric tonne ("mt") and a ceiling price of US\$120.00/mt with the price sold to Petrobangla subject to a further 1.0% discount. Since the Company took over operatorship of Block 9 in 2013, the average realised sales price of Bangora gas has been unchanged at the maximum US\$2.32 per thousand cubic feet ("mcf"). Given oil market volatility and the drop in crude oil and oil product pricing levels, there is the possibility that the Bangora gas price, and therefore revenues, may be negatively impacted by the prevailing market volatility.

B8/32, Gulf of Thailand

The base price in Baht for gas sales from B8/32 is based on a formula that factors in the price of fuel oil, the Thai Baht-to-US dollar exchange rate, the US Producer Price Index and the Thailand wholesale price index for the prior six-month period. Gas prices under the gas sales agreement are calculated at six-month intervals on 1 April and 1 October of each year, and the Thai Baht-to-US dollar exchange rate is adjusted in any month in which it differs by more than 5.0% from the previously used exchange rate. Due to market volatility and the drop in crude oil and oil product pricing levels, there is the possibility that the B8/32 gas price, and therefore revenues, may be negatively impacted by the prevailing market volatility.

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Development

Cambodia Block A

KrisEnergy is the operator of Cambodia Block A where it is developing the Apsara oil field, the first hydrocarbon development in the Royal Kingdom of Cambodia.

Cambodia Block A lies over the Khmer Basin, an unproduced geological basin in the Cambodian maritime waters of the Gulf of Thailand. Due to the unproven production performance of the basin, development of the Apsara area will be in several phases to mitigate risk and provide for the collection and analysis of critical data to be applied in future phases.

The first development phase, Mini Phase 1A, comprises a mini-platform and five initial development wells connected to the *Ingenium II* production barge for oil, gas and water processing. Apsara crude oil will be stored in a tanker moored adjacent to the production barge for periodic offloading. Apsara oil is scheduled to flow in 2020 and the field is expected to reach a peak rate of 7,500 bopd. See section ***Cambodia Block A development progress*** for an update on development status.

Taking into consideration all factors, including the imminent financial restructuring of the Group, the successful development of Mini Phase 1A will provide important performance information in addition to cash flow and could lead to future phases of development. Cambodia Block A is expected to be the highest revenue generating asset in the Group's portfolio in the longer term.

Cambodia Block A loan facility

On 30 April 2020, the Company announced that KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd, both wholly-owned indirect subsidiaries of the Group, had entered into a credit facility agreement with Kepinvest Singapore Pte. Ltd. (a subsidiary of Keppel Corporation Limited ("Keppel")) as lender ("Lender") for a project financing loan in the aggregate principal amount of up to US\$87.0 million to fund the development of Cambodia Block A (the "CBA Loan Facility"). To view the full announcement, go to www.krisenergy.com.

As detailed in the announcement dated 30 April 2020, the Lender is a subsidiary of Keppel, which is a Controlling Shareholder of the Company through its wholly-owned subsidiary, Keppel Oil & Gas Pte Ltd. The Lender is therefore regarded as an Interested Person under Chapter 9 of the Listing Manual. Accordingly, the CBA Loan Facility by the Lender will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual. If Shareholders do not approve the CBA Loan Facility at an extraordinary general meeting ("EGM") to be convened by the Company, then the Lender is entitled to call for immediate repayment of the funds already advanced and has no obligation to make available any further funding Subject to the approval of Singapore Exchange Securities Trading Ltd, a circular containing further information on the CBA Loan Facility, together with a notice of EGM and the independent financial adviser's opinion, will be despatched to Shareholders in due course.

Cambodia Block A development progress

Ingenium II production barge

Renovation and upgrading of the *Ingenium II* production barge commenced in November 2018 and has been undertaken in Keppel Shipyard Ltd's Benoi and Gul yards in Singapore. Installation and integration have been completed for all main packages:



- New living quarters;
- Helideck reinstalled;
- Emergency diesel generator;
- Three main power generation units;
- Main electrical switch room and emergency switch room;
- Pedestal crane;
- Main mooring winches and ropes;
- Main electrical transformers;
- Produced water package;
- Boiler for heating medium system;
- Crude oil production separators;
- Lifeboat davits; and
- Flare system.

The vessel is nearing mechanical completion, scaffolding is being removed from the decks and commissioning has commenced of electrical systems and the Uninterruptable Power Supply (UPS), which supplies the safety and emergency systems.

On 21 April 2020, the Singapore Government announced additional measures to stem the spread of COVID-19 including restrictions on essential workers, which encompasses activities in Singapore shipyards. The measures are due to remain in place until 1 June 2020. On 27 April 2020, the Ministry of Trade and Industry ordered work on the *Ingenium II* vessel to be suspended until further notice as part of the COVID-19 prevention measures.

Jacket & topsides

Construction of the topsides and jacket for the minimum facilities wellhead platform commenced in December 2019 at the PT Profab³ facility on Batam Island, Indonesia:

- All three decks of the topsides have been fabricated and stacked for the topsides structure. Installation is underway of the crane, local equipment room, variable speed drives, piping and electrical and instrumentation equipment; and
- Fabrication of the jacket is nearing completion and mud mats have been installed.

In late April 2020, the Batam fabrication yard is working with a reduced work force and activities are gradually slowing as consumables and materials become less available. Travel into and out of Indonesia is severely restricted.

Transportation & installation of facilities

The Company is currently in negotiations to secure the necessary services and facilities to transport and install the platform and production barge to the Apsara location in the Gulf of Thailand.

Drilling rig

The Company is currently in negotiations to secure a jack-up rig for the Apsara development drilling.

³ PT Profab is a subsidiary of National Oilwell Varco, Inc, an American multinational cooperation based in Houston, Texas and is a worldwide provider of facilities, equipment and components used in the upstream oil and gas industry



Casing & tubing

A cargo of 13-3/8-inch and 7-inch buttress thread casing arrived in Sihanoukville, Cambodia, on 30 March 2020 from Shanghai, China. The casing was transported to a shore base for storage prior to development drilling.

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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. The Company holds working interests in three producing oil and/or gas fields, two in the Gulf of Thailand and one onshore Bangladesh. It also participates in eight blocks in various stages of development, appraisal and exploration in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam. KrisEnergy operates nine of the contract areas.

For more information, go to www.krisenergy.com