# KRISENERGY LTD

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

# Unaudited Fourth Quarter & Full Year ended 31 December 2019 Financial Statements Announcement


28 February 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 13 contract areas in Asia, nine of which we operate. Today, we present our unaudited financial statements reflecting the financial and operating results for the three months ("**4Q2019**") and full year ("**FY2019**") ended 31 December 2019 (the "**Results**"). 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 December | | | For the full year ended 31 December | | |
|---|---|---|---|---|---|---|
| | **2019** | **2018** | **% Change** | **2019** | **2018** | **% Change** |
| | *(US$ thousands, except where otherwise indicated)* | | | | | |
| **Financial** | | | | | | |
| Sale of crude oil & liquids | 31,397.9 | 13,402.0 | 134.3 | 110,644.7 | 130,374.8 | (15.1) |
| Sale of gas | 3,674.3 | 4,005.6 | (8.3) | 15,886.3 | 14,430.6 | 10.1 |
| **Revenue** | **35,072.2** | **17,407.6** | **101.5** | **126,531.0** | **144,805.4** | **(12.6)** |
| **Adjusted EBITDAX**[1] | **(398.7)** | **12,429.3** | **(103.2)** | **24,743.6** | **53,028.0** | **(53.3)** |
| Cash and bank balances | 51,361.1 | 77,606.4 | (33.8) | 51,361.1 | 77,606.4 | (33.8) |
| **Operations** | | | | | | |
| Oil and liquids (*bopd*) | 4,500 | 4,615 | (2.5) | 4,750 | 5,677 | (16.3) |
| Gas (*mmcfd*) | 33.2 | 31.4 | 5.7 | 32.9 | 30.1 | 9.2 |
| Production volumes (*boepd*) | 10,030 | 9,847 | 1.9 | 10,229 | 10,691 | (4.3) |
| Average sales price | | | | | | |
| • Oil and liquids (*US$/bbl*) | 59.82 | 76.34 | (21.6) | 60.04 | 68.89 | (12.8) |
| • Gas – B8/32 (*US$/mcf*) | 4.81 | 5.19 | (7.3) | 4.94 | 4.58 | 7.9 |
| • Gas – Block 9 (*US$/mcf*) | 2.32 | 2.32 | - | 2.32 | 2.32 | - |
| Average lifting costs (US$/*boe*)[2] | 24.31 | 25.17 | (3.4) | 22.98 | 23.70 | (3.1) |

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 December | | For the full year ended 31 December | |
|---|---|---|---|---|---|
| | | 2019 | 2018 | 2019 | 2018 |
| | | (unaudited) (US$ thousands) | | | |
| Cash | **Revenue** | 35,072.2 | 17,407.6 | 126,531.0 | 144,805.4 |
| | Adjusted operating costs[3] | (32,482.9) | (3,022.3) | (88,557.0) | (79,912.0) |
| | Thai petroleum royalties paid | (2,623.0) | (1,304.4) | (10,024.7) | (10,901.6) |
| | **Gross (loss)/profit before depreciation, depletion and amortisation** | **(33.7)** | **13,080.9** | **27,949.3** | **53,991.8** |
| | Corporate general and administrative expense | (365.0) | (651.6) | (3,205.7) | (3,490.5) |
| | Gain on disposal of subsidiary | - | - | - | 2,526.7 |
| | **Adjusted EBITDAX[4]** | **(398.7)** | **12,429.3** | **24,743.6** | **53,028.0** |
| | Geological and geophysical expenses | (3,566.0) | (349.9) | (7,625.5) | (9,635.5) |
| | Gain on settlement of work capital for assets | - | 1,308.9 | - | 1,308.9 |
| | Exploration expenses | (40.8) | (4,661.1) | 45.3 | (12,050.5) |
| | **Adjusted EBITDA[4]** | **(4,005.5)** | **8,727.2** | **17,163.4** | **32,650.9** |
| | Finance costs | (9,321.6) | (6,454.0) | (32,537.5) | (27,690.6) |
| | **Adjusted cash (loss)/profit before tax** | **(13,327.1)** | **2,273.2** | **(15,374.1)** | **4,960.3** |
| Non-Cash | Finance costs (accretion of bond discount[5], decommissioning provision and lease liability) | (5,198.7) | (4,805.1) | (20,311.3) | (21,570.8) |
| | Depreciation, depletion and amortisation | (10,490.8) | (18,342.2) | (46,933.6) | (49,867.4) |
| | Impairment of assets | (53,058.4) | (67,366.6) | (87,310.9) | (80,305.1) |
| | Inventories written down | (1,877.5) | (8,940.2) | (1,877.5) | (8,940.2) |
| | Write-back of unused decommissioning provisions | - | 29,006.8 | - | 29,006.8 |
| | Net fair value (loss)/gain on financial instruments | (545.2) | 8,859.4 | 633.7 | 4,079.8 |
| | Provision for asset related expenses | - | (16,338.3) | - | (16,338.3) |
| | Unrealised exchange (loss)/gain on 2022 Notes, 2023 Notes and 2024 ZCNs | (4,380.1) | 1,809.0 | (1,890.8) | 5,864.5 |
| | Other unrealised exchange differences | 1,238.1 | (96.2) | 1,719.5 | (52.8) |
| | **Adjusted loss before tax[6]** | **(87,639.7)** | **(73,940.2)** | **(171,345.0)** | **(133,163.2)** |

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.

## Full Year 2019 Financial Update

The average benchmark Brent crude price declined 10.5% in FY2019 from the same period a year ago and was 9.0% lower in 4Q2019 versus the fourth quarter of 2018 ("**4Q2018**"). The continued volatility in oil markets was reflected in the Group's average realised selling price for crude oil and liquids, which decreased 12.8% in FY2019 versus a year ago. Quarter-on-quarter, the timing of liftings of Wassana crude oil, which accounts for more than three-quarters of Group crude oil sales, remained a prominent factor: in 4Q2018 Wassana barrels were priced closed to the year-peak for the Dubai benchmark, more than 20.0% higher than in 4Q2019.

Lower prices and lower sales impacted FY2019 revenue, which decreased 12.6% to US$126.5 million. Gross profit before DD&A was US$27.9 million and net cash flow from operating activities was US$24.8 million, however, material non-cash charges in FY2019 of US$154.5 million remained at significantly high levels and resulted in a loss before tax of US$171.3 million. In 4Q2019, net cash flow from operating activities was US$16.8 million.

The net loss recorded in FY2019 resulted in a capital deficiency position for the Group as at 31 December 2019 of US$145.9 million, and a net current liability position of US$531.7 million. Total debt recognised on the Group's balance sheet amounted to US$503.1 million and gearing was 140.8%.

- **Production:** Working interest production in FY2019 averaged 10,229 barrels of oil equivalent ("**boepd**"), 4.3% lower than a year ago (FY2018: 10,691 boepd). The FY2018 period included five months of working interest volumes from the Nong Yao oil field in G11/48, Gulf of Thailand, in which the Group ceased participation at the end of May 2018. On a *pro forma* basis, excluding G11/48, the Group's three remaining producing assets – Block 9, B8/32 and G10/48 – recorded working interest production of 9,921 boepd in FY2018. The 3.1% increase in FY2019 on a *pro forma* basis was a result of higher production from B8/32 in the Gulf of Thailand and Block 9 onshore Bangladesh.

- **Realised Pricing:** In FY2019, the Group's average realised price for oil and liquids was US$60.04/bbl, 12.8% lower than a year ago (FY2018: US$68.89/bbl) partly due to lower benchmark markets as well as the exclusion of Nong Yao crude sales, which were included in the FY2018 average realised price computation. On a year-on-year quarterly basis there was a 21.6% drop in 4Q2019 average realised oil sales price at US$59.82/bbl (4Q2018: US$76.34/bbl). The average realised gas price for the B8/32 licence increased 7.9% to US$4.94 per thousand cubic feet ("**mcf**") (FY2018: US$4.58/mcf) in line with the redetermination of the gas price formula which is set on a trailing six-month basis. The realised gas price from the onshore Bangladesh Bangora field in Block 9 remained flat at US$2.32/mcf.

- **Revenue:** Revenue for FY2019 decreased 12.6% to US$126.5 million (FY2018: US$144.8 million) due to lower production volumes (including Nong Yao for the 2018 period) and lower average realised selling prices for oil and liquids, partially offset by higher gas production volumes and higher average realised selling prices for natural gas in Thailand.

- **Adjusted Operating Costs:** Operating costs including the bareboat charters for Wassana field operations in G10/48 – namely the mobile offshore production unit ("**MOPU**") and the floating storage and offloading vessel ("**FSO**"), were US$88.6 million in FY2019 (FY2018: US$79.9 million). The 10.8% increase was primarily a result of higher barrels of crude oil lifted at the Wassana field versus the year-ago period. 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. Although operating expenditure associated with the Wassana field is largely fixed, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue.

- **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 FY2019, the average lifting cost was US$22.98 per barrel of oil equivalent ("**boe**") compared with US$23.70/boe for FY2018. The 3.1% decrease was attributed to higher production from B8/32 and Block 9 while maintaining operating expenditure at relatively fixed levels.

- **Adjusted EBITDAX:** In FY2019, adjusted EBITDAX amounted to US$24.7 million (FY2018: US$53.0 million). The year-on-year decrease was primarily attributed to a lower gross profit for the period.

- **Loss Before Tax:** The loss before tax in FY2019 was US$171.3 million (FY2018: US$133.2 million). Material non-cash charges to the profit and loss statement in FY2019 amounted to US$154.5 million, comprising: (i) US$46.9 million for DD&A charges; (ii) impairment of oil and gas properties of US$23.1 million; (iii) US$64.2 million for write-offs of exploration assets; and (iv) US$20.3 million related to the non-cash accretion of the bond discount, lease liability and decommission provision.

- **Cash & Bank Balances:** As at 31 December 2019, the Group's cash and bank balances amounted to US$51.4 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$45.1 million. Total unused sources of liquidity, excluding amounts held under joint operations and including undrawn amounts of the revolving credit facility ("**RCF**"), amounted to US$13.1 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 December 2019 have been prepared on a going concern basis. As disclosed in previous financial statements announcements of the Company, the Group is over-geared 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 2018 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 and Standard Chartered Bank, Singapore Branch 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 S$130.0 million 4.0% senior unsecured notes due 2022 ("**2022 Notes**"), 2023 Notes and the S$139,464,848 senior secured zero coupon notes due 2024 ("**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 occurance 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.

- **Total Debt & Gearing:** As at 31 December 2019, total debt recognised on the Group's balance sheet amounted to US$503.1 million and the Group's gearing was 140.8%.
  - The Group's RCF, as provided by DBS Bank Ltd ("**DBS**"), will mature on 30 June 2020. As such, the amount drawn as at 31 December 2019 of US$192.4 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 December 2019 has also been classified as current liability.

- **Net Capital Deficiency:** In FY2019, the Group recorded a loss after tax of US$168.9 million, resulting in a net capital deficiency position of US$145.9 million and net current liabilities of US$531.7 million as at 31 December 2019.

Further details of the restructuring process since 31 December 2019 may be found under paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.

## Corporate Update

- On 18 October 2019, the Company announced the appointment of Bernard Castanet, former senior executive of international independent Perenco group, as Non-Executive Independent director, effective 18 October 2019. See announcement entitled *KrisEnergy appoints Non-Executive Independent Director and reconstitutes Board Committees* dated 18 October 2019.

# Full Year 2019 Operational Update

Operations in 2019 remained focused on maximising existing production and progressing the Apsara oil development in Cambodia Block A towards first oil by mid-2020.

Environment, health, safety and security remained at the forefront of the Company's operational activities with 2,048,602 man-hours recorded on KrisEnergy-operated assets in FY2019 with zero lost time injuries.

To reduce the Group's exposure to high risk exploration assets and associated capital expenditure, the Company continued to seek opportunities for portfolio rationalisation. On 19 November 2019, the Company announced its acceptance of a binding letter of offer for the disposal of its 30.0% non-operated working interest in the Andaman II production sharing contract ("**PSC**") in the Malacca Strait, Indonesia. The transaction is pending approval by the Indonesian authorities. See announcement entitled *KrisEnergy signs agreement with BP for the sale of its participating interest in Andaman II PSC*.

As at 31 December 2019, Group working interest proved plus probable ("**2P**") reserves were estimated by Netherland, Sewell & Associates, Inc. ("**NSAI**") at 58.1 million barrels of oil equivalent ("**mmboe**"), 8.5% down from 63.5 mmboe at the end of 2018. An uplift of 6.7 million barrels of oil ("**mmbo**") in 2P volumes in the G6/48 concession to 11.7 mmbo resulted from an increase in KrisEnergy's economic interest from 30.0% to 100.0% over the Rossukon field development area. Lower well performance and oil prices reduced working interest 2P volumes at the Wassana field in the G10/48 concession to 4.4 mmbo (FY2018: 5.7 mmbo) and the downsizing of the initial Mini Phase 1A Apsara development to a mini wellhead platform facility with five wells led to a 20.3% reduction in Cambodia Block A 2P estimates to 6.5 mmbo.

NSAI reduced gas volumes associated with the Lengo development in the Bulu PSC, offshore East Java in Indonesia, by 27.4% to 18.4 mmboe due to a requirement to remove the carbon dioxide ("**$CO_2$**") content before delivery to a potential offtaker. In Bangladesh, 2P gas and liquids reserves decreased by 11.7% to 12.8 mmboe due to 2018 production volumes and competing recovery in a neighbouring block.

Working interest best estimate contingent resources ("**2C**") increased 7.5% to 64.4 mmboe as a result of the increased economic interest in the Rossukon field development area in G6/48 in the Gulf of Thailand.

**Production & Development**

- Average gross production at the KrisEnergy-operated Bangora gas field in Block 9, onshore Bangladesh, was 285 barrels of condensate per day and 96.8 million cubic feet per day ("**mmcfd**") in FY2019 and the Group's working interest share of production averaged 4,927 boepd in FY2019.
    - The entire Bangora plant was shut on 13 August 2019 for scheduled annual maintenance and resumed operations on 16 August 2019. Subsequently, the field has consistently produced at a gross rate around 100 mmcfd.

- Average gross production at the Wassana oil field in the KrisEnergy-operated G10/48 concession was 4,173 barrels of oil per day ("**bopd**") in FY2019 and the Group's working interest share of production was 3,714 bopd. Production was shut-in as a safety precaution for one week at the start of the year while Tropical Storm Pabuk passed through the Gulf of Thailand. The inclement weather also affected the tail end of the second infill drilling campaign in which three development wells were drilled and put online and workovers were performed on three existing wells. The *Mist* jack-up rig demobilised from the Wassana field on 19 February 2019. Overall production was constrained in the second half of 2019 due to replacement of flowlines and mechanical issues with power generation units.
    - There were six liftings totaling 1.468 million barrels in FY2019 compared with eight liftings totaling 1.365 million barrels in FY2018.

- Average gross oil production in the non-operated B8/32 oil and gas fields was 20,529 bopd and gas production was 82.5 mmcfd in FY2019 and the Group's working interest share of production was 1,589 boepd.
    - As at 1 October 2019, gas sales from B8/32 was permanently reduced. The daily contracted sales quantity ("**DCQ**")/maximum contracted quantity ("**MCQ**") was reduced from 65/75 mmcfd to 45/51.75 mmcfd. Notification of the reduced volumes was provided to the joint-venture partners and the offtaker 12 months prior to the reduction.
    - The 2019 infill drilling campaign was completed in September 2019 and 34 wells were put online by the end of October 2019. Commencement of the 2020 infill program was accelerated and began in November 2019 with six wells drilled by the end of the year bringing the total number of wells drilled in FY2019 to 40.
    - In 2020, 28 infill wells are scheduled for drilling.

- Work progressed throughout FY2019 on the KrisEnergy-operated Apsara oil development in Cambodia Block A with first oil expected in mid-2020.
    - Renovation and upgrading of the *Ingenium II* production barge continued in the Benoi yard and Gul drydock in Singapore. Installation and integration have been completed for all main new packages - power generation, central control room, electrical switch room, living quarters, pedestal crane, electrical transformers and produced water processing package - and mechanical completion of all systems is scheduled for the first quarter 2020 before commissioning.
    - Construction of the topsides and jacket for the minimum facilities wellhead platform commenced in December 2019 at the PT Profab[1] facility on Batam Island, Indonesia. Profab's scope of work includes construction of the jacket, topsides and other related accessories for the Mini-Platform, full pre-commissioning and loading onto a barge for transportation to the field location.
    - The vessel *PTSC Researcher*, operated by PTSC Geos and Subsea Services Co., conducted a geophysical survey in November 2019 at the proposed platform and production barge locations for the Apsara development.

[1] PT Profab is a subsidiary of National Oilwell Varco, Inc, ("NOV"), an American multinational corporation based in Houston, Texas that is a worldwide provider of facilities, equipment and components used in the upstream oil and gas industry

- Fast-track processing of 200 sq. km 3D seismic data acquired over the Apsara development area in mid-2019 was completed in December 2019. The data will improve imaging of geological faults and sand bodies to aid in the finalisation of the design of well trajectories ahead of development drilling for first oil. Processing of 1,000 sq. km 3D seismic data acquired over a large prospective area in the southwest portion of the block is scheduled for completion in the first half 2020.

- The *Fugro Mariner* vessel conducted a geotechnical survey in 4Q2019 at the Bussaba-2 exploration well location in the G6/48 development concession in the Gulf of Thailand. The survey included a 300-metre pilot hole for shallow hazard assessment and 40-metre soil borings for future drilling requirements.

**Exploration**

- A 2,720 sq. km 3D seismic survey was completed in May 2019 over the non-operated Andaman II PSC. The data was subsequently processed.

- The Bangladesh authorities approved a two-year extension of the exploration period to March 2021 for the non-operated SS-11 exploration licence in the Bay of Bengal.

- The KrisEnergy-operated Bala-Balakang PSC in the Makassar Strait, Indonesia, expired on 18 December 2019.

- An application was submitted to the Indonesian authorities in November 2019 to extend the KrisEnergy-operated Sakti PSC, offshore East Java Indonesia, into the second phase exploration period for four years. The first exploration phase expired on 25 February 2020. Approval of the extension was granted by the Indonesian authorities, extending the PSC to 25 February 2024, and the gross acreage of the contract area was reduced to 989 sq. km.

For activities and developments since 31 December 2019, see paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.

## Capital Expenditure

As set out in the *Unaudited Third Quarter 2019 Financial Statements Announcement* dated 12 November 2019, planned capital expenditure for 4Q2019 was estimated at US$16.9 million. In 4Q2019, the Group incurred capital expenditure, excluding non-cash items, amounted to US$13.6 million. The variance was mainly attributed to a delay in award of material contracts for the development of Apsara oil field at the Cambodia Block A concession.

Planned capital expenditure for the first quarter 2020 is estimated to be approximately US$14.9 million of which 96.1% will be utilised for producing and development assets, predominantly at the Cambodia Block A concession, and the balance is intended to be allocated to mandatory work commitments.

| | **For the 3 months ending 31 March 2020** |
|---|---|
| | *(unaudited)* |
| | *(US$ thousands)* |
| Producing assets [1] | 2,069.2 |
| Assets under development [2] | 12,216.0 |
| Non-producing assets [3] | 578.0 |
| **Total capital expenditure** | **14,863.24** |

Notes:
(1) Expenditure for assets in production, which include Block 9 and deferred costs related to the G10/48 drilling program completed earlier in 2019
(2) Expenditure for assets under development, which include Cambodia Block A, the production barge and G6/48
(3) Expenditure for exploration assets, which include the Group's assets in Bangladesh, 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 development funding.

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.

## Reserves and Contingent Resources Summary as estimated by NSAI as at 31 December 2019

| Reserves | 1P Reserves | | | 2P Reserves | | | 3P Reserves | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross | Working Interest | | Gross | Working Interest | | Gross | Working Interest | | |
| *Oil* | *(mmbbl)*[1] | *(mmbbl)* | *Change from previous update (%)* | *(mmbbl)* | *(mmbbl)* | *Change from previous update (%)* | *(mmbbl)* | *(mmbbl)* | *Change from previous update (%)* | **Remarks** |
| ***Bangladesh*** | | | | | | | | | | |
| Block 9 | 0.39 | 0.12 | (18.8) | 0.68 | 0.20 | 3.5 | 0.98 | 0.29 | 16.9 | Condensate volumes are higher relative to gas volumes because of increased yield performance |
| ***Cambodia*** | | | | | | | | | | |
| Block A | - | - | - | 6.80 | 6.46 | (20.4) | 14.45 | 13.73 | (3.3) | Change in development concept to a 5-well mini platform |
| ***Thailand*** | | | | | | | | | | |
| B8/32 & B9A[2] | 13.93 | 0.65 | 27.4 | 52.05 | 2.41 | (14.2) | 64.10 | 2.97 | (17.0) | 1P reserves are higher because of increased planned drilling. 2P and 3P reserves are lower because of reduced remaining life of concession |
| G6/48 | - | - | - | 11.70 | 11.70 | 132.6 | 15.80 | 15.80 | 132.6 | Increased economic interest to 100.0% |
| G10/48 | - | - | (100.0) | 4.92 | 4.38 | (22.6) | 6.48 | 5.77 | (19.5) | Lower reserves due to lower well performance, reduced recovery for future wells and poorer economic conditions |
| *Gas* | *(bcf)*[3] | *(bcf)* | *Change from previous update (%)* | *(bcf)* | *(bcf)* | *Change from previous update (%)* | *(bcf)* | *(bcf)* | *Change from previous update (%)* | **Remarks** |
| ***Bangladesh*** | | | | | | | | | | |
| Block 9 | 154.50 | 46.35 | (26.7) | 251.52 | 75.46 | (11.9) | 349.66 | 104.90 | (4.4) | Lower gas reserves due to 2019 production volumes and increase off-block recovery |
| ***Indonesia*** | | | | | | | | | | |
| Bulu PSC | - | - | - | 318.86 | 110.49 | (27.5) | 341.43 | 118.90 | (33.3) | Lower due to wellstream reductions for fuel usage and removal of $CO_2$ |
| ***Thailand*** | | | | | | | | | | |
| B8/32 & B9A[2] | 69.29 | 3.21 | 103.8 | 258.71 | 11.99 | (0.5) | 326.15 | 15.12 | (1.2) | 1P reserves are higher because of increased planned drilling. 2P and 3P reserves are lower because of reduced remaining life of concession |

[1] mmbbl refers to millions of barrels
[2] The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished
[3] bcf refers to billions of cubic feet

| Oil | 1C Resources Gross (mmbbl) | 1C Working Interest (mmbbl) | 1C Working Interest Change from previous update (%) | 2C Resources Gross (mmbbl) | 2C Working Interest (mmbbl) | 2C Working Interest Change from previous update (%) | 3C Resources Gross (mmbbl) | 3C Working Interest (mmbbl) | 3C Working Interest Change from previous update (%) | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Bangladesh*** | | | | | | | | | | |
| Block 9 | 0.02 | 0.01 | - | 0.11 | 0.03 | - | 0.54 | 0.16 | - | |
| ***Cambodia*** | | | | | | | | | | |
| Block A | 0.91 | 0.86 | - | 1.74 | 1.65 | - | 3.13 | 2.97 | - | |
| ***Thailand*** | | | | | | | | | | |
| G10/48 | 3.74 | 3.33 | (41.4) | 9.41 | 8.37 | (11.5) | 14.78 | 13.16 | (9.7) | Poorer economic conditions for extension volumes |

| Gas | 1C Resources Gross (bcf) | 1C Working Interest (bcf) | 1C Working Interest Change from previous update (%) | 2C Resources Gross (bcf) | 2C Working Interest (bcf) | 2C Working Interest Change from previous update (%) | 3C Resources Gross (bcf) | 3C Working Interest (bcf) | 3C Working Interest Change from previous update (%) | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Bangladesh*** | | | | | | | | | | |
| Block 9 | 6.08 | 1.82 | - | 27.68 | 8.30 | - | 128.95 | 38.69 | - | |
| ***Indonesia*** | | | | | | | | | | |
| Sakti | 37.24 | 35.37 | - | 221.52 | 210.45 | - | 425.36 | 404.10 | - | |
| Bala-Balakang | - | - | - | 110.51 | 93.93 | - | 155.81 | 132.44 | - | |
| ***Thailand*** | | | | | | | | | | |
| G6/48 | 11.48 | 11.48 | 132.6 | 13.24 | 13.24 | 132.6 | 15.37 | 15.37 | 132.6 | Increased economic interest to 100.0% |

Source: All figures estimated by NSAI

Name of Qualified Person: NSAI

Date: 31 December 2019

Professional Society Affiliation/Membership: NSAI: Texas Board of Professional Engineers Registration No. F-2699 / Mr. Scott Frost: Licensed Professional Engineer in the States of Texas (No. 88738) and Society of Petroleum Engineers / Ms. Michelle F. Herrera: Licensed Professional Geoscientist in the State of Texas, Geology (No. 11912) and American Association of Petroleum Geologists.

# Financial Statements Announcement
## Fourth Quarter and Full Year ended 31 December 2019

**Figures for the period ended 31 December 2019 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 December | | For the full year ended 31 December | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| | *(unaudited)* *(US$ thousands)* | | | |
| Sales of crude oil | 31,397.9 | 13,402.0 | 110,644.7 | 130,374.8 |
| Sales of gas | 3,674.3 | 4,005.6 | 15,886.3 | 14,430.6 |
| **Revenue** | **35,072.2** | **17,407.6** | **126,531.0** | **144,805.4** |
| Cost of sales: | | | | |
| Operating costs | (22,872.0) | (3,022.3) | (49,352.6) | (79,912.0) |
| Thai petroleum royalties paid | (2,623.0) | (1,304.4) | (10,024.7) | (10,901.6) |
| Inventories written down | (1,877.5) | (8,940.2) | (1,877.5) | (8,940.2) |
| Depreciation, depletion and amortisation | (20,500.0) | (18,331.7) | (86,651.4) | (49,808.9) |
| **Gross loss** | **(12,800.3)** | **(14,191.0)** | **(21,375.2)** | **(4,757.2)** |
| Other income | 2,885.8 | 32,979.8 | 11,060.7 | 40,517.2 |
| General and administrative expenses | (5,885.2) | (3,913.2) | (18,736.2) | (21,309.4) |
| Other operating expenses | (56,879.2) | (77,784.3) | (86,617.5) | (99,006.4) |
| Finance income | 195.1 | 227.6 | 900.9 | 654.1 |
| Finance costs | (15,155.9) | (11,259.1) | (56,577.7) | (49,261.4) |
| **Loss before tax** | **(87,639.7)** | **(73,940.2)** | **(171,345.0)** | **(133,163.1)** |
| Tax credit/(expense) | 4,931.4 | (1,117.2) | 2,484.6 | (4,189.3) |
| **Loss for the period** | **(82,708.3)** | **(75,057.4)** | **(168,860.4)** | **(137,352.4)** |
| | | | | |
| **Other comprehensive loss** | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Exchange differences on translation of foreign operations | 17.0 | (13.3) | (22.0) | (61.7) |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurement of defined benefit obligations | 51.9 | 181.3 | 51.9 | 181.3 |
| **Total comprehensive loss for the period** | **(82,639.4)** | **(74,889.4)** | **(168,830.5)** | **(137,232.9)** |
| | | | | |
| **Loss per share attributable to owners of the Company (cents per share)** | | | | |
| Basic | (5.5) | (5.0) | (11.2) | (9.1) |
| Diluted | (5.5) | (5.0) | (11.2) | (9.1) |

## Extraordinary items

There were no extraordinary items during the period.

## 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 December 2019 (unaudited) | As at 31 December 2018 (audited) | As at 31 December 2019 (unaudited) | As at 31 December 2018 (audited) |
| | (US$ thousands) | | | |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Exploration and evaluation assets | 268,405.2 | 307,892.3 | - | - |
| Oil and gas properties | 116,639.0 | 163,769.7 | - | - |
| Right-of-use assets[1] | 25,110.5 | - | - | - |
| Other property, plant and equipment | 29,853.0 | 13,500.8 | - | - |
| Intangible assets | 8,444.9 | 8,444.9 | - | - |
| Investment in subsidiaries | - | - | 10,119.7 | 336,744.4 |
| Other receivables | 4,035.6 | 4,088.5 | 115,915.8 | 209,518.9 |
| | **452,488.2** | **497,696.2** | **126,035.5** | **546,263.3** |
| **Current assets** | | | | |
| Inventories | 16,249.6 | 21,930.2 | - | - |
| Trade and other receivables | 45,857.0 | 37,950.9 | 2.7 | - |
| Prepayments | 7,900.2 | 5,686.1 | 41.7 | 143.8 |
| Cash and bank balances | 51,361.1 | 77,606.4 | 21.2 | 274.1 |
| | **121,367.9** | **143,173.6** | **65.6** | **417.9** |
| **Total Assets** | **573,856.1** | **640,869.8** | **126,101.1** | **546,681.2** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Ordinary shares | 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 | 30,880.7 | 30,707.7 | 41,507.5 | 41,312.4 |
| Accumulated losses | (908,958.5) | (740,150.0) | (1,010,789.0) | (559,149.4) |
| **Total Equity** | **(145,897.0)** | **22,738.5** | **(237,100.7)** | **214,343.8** |
| **Non-current liabilities** | | | | |
| Employee benefit liability | 490.6 | 611.6 | - | - |
| Lease liabilities[1] | 550.8 | - | - | - |
| Loans and borrowings | - | 439,072.4 | - | 290,802.4 |
| Derivative liabilities | 2,324.5 | 2,966.7 | 2,324.5 | 2,966.7 |
| Deferred tax liabilities | 27,358.6 | 35,344.6 | - | - |
| Accrued operating expenses | 11,239.8 | - | - | - |
| Provisions | 24,753.7 | 22,206.6 | - | - |
| Other payables | - | - | 28,149.5 | 25,628.4 |

| | | | | |
|---|---|---|---|---|
| | **66,718.0** | **500,201.9** | **30,474.0** | **319,397.5** |
| **Current liabilities** | | | | |
| Trade and other payables | 86,775.3 | 73,545.4 | 17,286.5 | 11,062.9 |
| Accrued operating expenses | 35,281.4 | 21,935.8 | 4,764.2 | 1,877.0 |
| Lease liabilities[1] | 25,573.0 | - | - | - |
| Loans and borrowings | 503,053.5 | 20,000.0 | 310,677.1 | - |
| Withholding tax payable | 401.0 | 197.8 | - | - |
| Tax payable | 1,950.9 | 2,250.4 | - | - |
| | **653,035.1** | **117,929.4** | **332,727.8** | **12,939.9** |
| **Total Liabilities** | **719,753.1** | **618,131.3** | **363,201.8** | **332,337.4** |
| **Total Equity And Liabilities** | **573,856.1** | **640,869.8** | **126,101.1** | **546,681.2** |

Note:
(1) Pursuant to the application of the new IFRS 16 *Leases* effective 1 January 2019, the Group has recognised right-of-use assets and lease liabilities on the Balance Sheet. See Section 5 of this *Financial Statements Announcement* for further information regarding the adoption of IFRS 16.

## 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 December 2019 | | As at 31 December 2018 | |
|---|---|---|---|
| **Secured[2]** | **Unsecured[3]** | **Secured** | **Unsecured** |
| | *(US$ thousands)* | | |
| 265,356.2 | 237,697.3 | 20,000.0 | - |

### Amount repayable after one year

| As at 31 December 2019 | | As at 31 December 2018 | |
|---|---|---|---|
| **Secured** | **Unsecured** | **Secured** | **Unsecured** |
| | *(US$ thousands)* | | |
| - | - | 214,979.6 | 224,092.9 |

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

### Details of any collateral

As at 31 December 2019, 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 and the final information memorandum in relation to the 2022 Notes and 2023 Notes dated 11 January 2017.

## 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 December | | For the full year ended 31 December | |
| | **2019** | **2018** | **2019** | **2018** |
| | (unaudited) (US$ thousands) | | | |
| **Operating activities:** | | | | |
| Loss before tax | (87,639.7) | (73,940.2) | (171,345.0) | (133,163.2) |
| Adjustments for: | | | | |
| Depreciation, depletion and amortisation | 10,336.9 | 18,331.7 | 46,330.3 | 49,808.9 |
| Depreciation of property, plant and equipment | 18.8 | 10.5 | 64.9 | 58.5 |
| Depreciation of right-of-use assets | 10,298.2 | - | 40,859.4 | - |
| Dry hole expenses | - | 4,661.1 | - | 11,450.5 |
| Employee defined benefits | (166.5) | (336.7) | (69.2) | (555.7) |
| Equity-settled transactions with employees | 37.8 | 60.4 | 195.1 | 245.0 |
| Gain on disposal of subsidiary | - | - | - | (2,526.7) |
| Impairment loss on exploration and evaluation assets | 30,966.3 | 48,419.9 | 65,218.8 | 61,358.4 |
| Impairment loss on oil and gas properties | 22,092.1 | 18,946.7 | 22,092.1 | 18,946.7 |
| Inventories written down | 1,877.5 | 8,940.2 | 1,877.5 | 8,940.2 |
| Net fair value loss/(gain) on financial instruments | 545.2 | (8,859.4) | (633.7) | (4,079.8) |
| Unrealised foreign exchange loss/(gain) on financial instruments | 4,380.1 | (1,809.0) | 1,890.8 | (5,864.5) |
| Utilisation of decommissioning provisions | - | (2,764.5) | - | (3,971.9) |
| Write-back of unused decommissioning provisions | - | (29,006.8) | - | (29,006.8) |
| Finance cost | 9,321.6 | 6,454.0 | 32,537.5 | 27,690.6 |
| Unwinding of discount on bonds | 4,618.4 | 4,502.9 | 17,975.2 | 20,049.5 |
| Unwinding of discount on decommissioning provisions | 555.2 | 302.2 | 2,220.7 | 1,521.3 |
| Unwinding of discount on lease liability | 660.7 | - | 3,844.3 | - |
| Interest income | (195.1) | (227.6) | (900.9) | (654.1) |
| **Operating cash flows before changes in working capital** | **7,689.0** | **(6,314.6)** | **62,139.3** | **20,246.9** |
| Inventories | 10,390.1 | (20,944.6) | 3,803.1 | (12,736.3) |
| Trade and other receivables | 825.7 | (2,630.0) | (14,257.5) | 18,653.3 |
| Trade and other payables | (434.7) | 36,899.0 | (9,057.7) | 30,438.4 |

| | The Group | | | |
|---|---|---|---|---|
| | For the three months ended 31 December | | For the full year ended 31 December | |
| | 2019 | 2018 | 2019 | 2018 |
| | *(unaudited)* | | | |
| | *(US$ thousands)* | | | |
| **Cash flows generated from operations** | **18,488.6** | **7,009.8** | **42,645.7** | **56,602.3** |
| Interest received | 195.1 | 227.6 | 900.9 | 654.1 |
| Interest paid | (2,035.0) | (2,690.7) | (12,952.1) | (15,696.7) |
| Taxes paid | 106.3 | 159.2 | (5,800.8) | (6,259.6) |
| **Net cash from operating activities** | **16,755.0** | **4,705.9** | **24,793.7** | **35,300.1** |
| **Investing activities:** | | | | |
| Addition to exploration and evaluation assets | (9,964.2) | (3,918.1) | (28,039.2) | (22,285.0) |
| Addition to oil and gas properties | (274.0) | (7,805.9) | (17,701.0) | (30,721.1) |
| Proceeds from disposal of subsidiary | - | 629.7 | 4,190.2 | 9,079.7 |
| Purchase of other plant, property and equipment | - | (17.6) | (121.2) | (28.1) |
| Expenditure on assets refurbishment | (34.1) | (759.0) | (1,751.8) | (1,258.7) |
| **Net cash used in investing activities** | **(10,272.3)** | **(11,870.9)** | **(43,423.0)** | **(45,213.2)** |
| **Financing activities:** | | | | |
| Payment of bond interest | - | (1,462.5) | (5,035.0) | (6,243.8) |
| Proceeds from bank borrowings | 6,370.0 | 30,000.0 | 44,106.5 | 55,000.0 |
| Repayment of bank borrowings | - | - | (20,000.0) | (35,000.0) |
| Lease payments | (5,529.2) | - | (23,636.0) | - |
| Financial restructuring expense | (957.2) | - | (3,030.2) | - |
| Decrease in cash collateralised | - | - | 2,000.0 | - |
| **Net cash (used in)/from financing activities** | **(116.4)** | **28,537.5** | **(5,594.7)** | **13,756.2** |
| Net increase/(decrease) in cash and cash equivalents | 6,366.3 | 21,372.5 | (24,224.0) | 3,843.1 |
| Effects of foreign exchange rate changes on the balance of cash held in foreign currencies | 16.2 | (13.2) | (21.3) | (61.5) |
| Cash and cash equivalents at beginning of the period | 38,708.6 | 47,977.1 | 69,336.4 | 65,554.8 |
| **Cash and cash equivalents at end of the period** | **45,091.1** | **69,336.4** | **45,091.1** | **69,336.4** |
| Add: restricted cash | 6,270.0 | 8,270.0 | 6,270.0 | 8,270.0 |
| **Cash and bank balances at end of the period** | **51,361.1** | **77,606.4** | **51,361.1** | **77,606.4** |

As at 31 December 2019, total cash and cash equivalents were US$45.1 million compared with US$69.3 million as at 31 December 2018, and unused sources of liquidity including undrawn amounts of the RCF as at 31 December 2019 amounted to US$13.1 million.

***Net Cash from Operating Activities***

Net cash from operating activities was US$16.8 million in 4Q2019 (4Q2018: US$4.7 million) as a result of movements in working capital.

***Net Cash used in Investing Activities***

Net cash used in investing activities amounted to US$10.3 million in 4Q2019 (4Q2018: US$11.9 million). Material capital expenditure in 4Q2019 included (i) development activities for platform and facilities in Cambodia Block A of US$8.7 million; and (ii) ongoing ordinary course of business expenditure in B8/32 and G10/48.

***Net Cash used in/from Financing Activities***

Net cash used in financing activities amounted to US$0.1 million versus net cash from financing activities of US$28.5 million in 4Q2018. In 4Q2019, US$6.4 million was drawn from the RCF Upsize, and the Group made principal lease payments on the right-of-use assets of US$5.5 million. Financial restructuring expenses paid in 4Q2019 amounted to US$1.0 million.

***Borrowings***

As at 31 December 2019, the total amount drawn on the RCF and RCF Upsize was US$192.4 million. Unused sources of liquidity (comprising cash and cash equivalents and undrawn amounts from the RCF) amounted to US$13.1 million. Gearing as at 31 December 2019 was 140.8%.

The Group's RCF, as provided by DBS, will mature on 30 June 2020. As such, the amount drawn as at 31 December 2019 of US$192.4 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 December 2019 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 2019** | **1,878.6** | **730,302.2** | **(740,150.0)** | **(1,923.6)** | **1,012.1** | **31,619.2** | **22,738.5** |
| Loss net of tax | - | - | (20,855.5) | - | - | - | (20,855.5) |
| Other comprehensive income: | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | 29.0 | - | - | 29.0 |
| Total comprehensive loss for the period | - | - | (20,855.5) | 29.0 | - | - | (20,826.5) |
| Equity-settled transactions with employees | - | - | - | - | 59.9 | - | 59.9 |
| **At 31 March 2019** | **1,878.6** | **730,302.2** | **(761,005.5)** | **(1,894.6)** | **1,072.0** | **31,619.2** | **1,971.9** |
| Loss net of tax | - | - | (48,637.4) | - | - | - | (48,637.4) |

| | Share Capital | Share Premium | Accumulated Losses | Foreign Currency Translation Reserve | Employee Share Reserve | General Reserve | Total Equity |
|---|---|---|---|---|---|---|---|
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | (42.7) | - | - | (42.7) |
| Total comprehensive loss for the period | - | - | (48,637.4) | (42.7) | - | - | (48,680.1) |
| Equity-settled transactions with employees | - | - | - | - | 58.7 | - | 58.7 |
| **At 30 June 2019** | **1,878.6** | **730,302.2** | **(809,642.9)** | **(1,937.3)** | **1,130.7** | **31,619.2** | **(46,649.5)** |
| | | | | | | | |
| Loss net of tax | - | - | (16,659.2) | - | - | - | (16,659.2) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | (25.4) | - | - | (25.4) |
| Total comprehensive loss for the period | - | - | (16,659.2) | (25.4) | - | - | (16,684.6) |
| Equity-settled transactions with employees | - | - | - | - | 38.7 | - | 38.7 |
| **At 30 September 2019** | **1,878.6** | **730,302.2** | **(826,302.1)** | **(1,962.7)** | **1,169.4** | **31,619.2** | **(63,295.4)** |
| | | | | | | | |
| Loss net of tax | - | - | (82,708.3) | - | - | - | (82,708.3) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | 17.0 | - | - | 17.0 |
| Remeasurement of defined benefit obligations | - | - | 51.9 | - | - | - | 51.9 |
| Total comprehensive loss for the period | - | - | (82,656.4) | 17.0 | - | - | (82,639.4) |
| Equity-settled transactions with employees | - | - | - | - | 37.8 | - | 37.8 |
| **At 31 December 2019** | **1,878.6** | **730,302.2** | **(908,958.5)** | **(1,945.7)** | **1,207.2** | **31,619.2** | **(145,897.0)** |

| **THE GROUP** | **Share Capital** | **Share Premium** | **Accumulated Losses** | **Foreign Currency Translation Reserve** | **Employee Share Reserve** | **General Reserve** | **Total Equity** |
|---|---|---|---|---|---|---|---|
| | | | | *(US$ thousands)* | | | |
| **At 1 January 2018** | **1,878.6** | **730,302.2** | **(602,978.9)** | **(1,862.0)** | **767.2** | **31,619.2** | **159,726.3** |
| Loss net of tax | - | - | (18,187.5) | - | - | - | (18,187.5) |
| Other comprehensive income: | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | 31.6 | - | - | 31.6 |
| Total comprehensive loss for the period | - | - | (18,187.5) | 31.6 | - | - | (18,155.9) |
| Equity-settled transactions with employees | - | - | - | - | 61.5 | - | 61.5 |
| **At 31 March 2018** | **1,878.6** | **730,302.2** | **(621,166.4)** | **(1,830.4)** | **828.7** | **31,619.2** | **141,631.9** |
| | | | | | | | |
| Loss net of tax | - | - | (33,110.3) | - | - | - | (33,110.3) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | (52.5) | - | - | (52.5) |
| Total comprehensive loss for the period | - | - | (33,110.3) | (52.5) | - | - | (33,162.8) |
| Equity-settled transactions with employees | - | - | - | - | 62.0 | - | 62.0 |
| **At 30 June 2018** | **1,878.6** | **730,302.2** | **(654,276.7)** | **(1,882.9)** | **890.7** | **31,619.2** | **108,531.1** |
| | | | | | | | |
| Loss net of tax | - | - | (10,997.2) | - | - | - | (10,997.2) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | (27.4) | - | - | (27.4) |
| Total comprehensive loss for the period | - | - | (10,997.2) | (27.4) | - | - | (11,024.6) |
| Equity-settled transactions with employees | - | - | - | - | 61.0 | - | 61.0 |
| **At 30 September 2018** | **1,878.6** | **730,302.2** | **(665,273.9)** | **(1,910.3)** | **951.7** | **31,619.2** | **97,567.5** |
| | | | | | | | |
| Loss net of tax | - | - | (75,057.4) | - | - | - | (75,057.4) |
| Other comprehensive income: | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | (13.3) | - | - | (13.3) |
| Remeasurement of defined benefit obligations | - | - | 181.3 | - | - | - | 181.3 |
| Total comprehensive income for the period | - | - | (74,876.1) | (13.3) | - | - | (74,889.4) |
| Equity-settled transactions with employees | - | - | - | - | 60.4 | - | 60.4 |
| **At 31 December 2018** | **1,878.6** | **730,302.2** | **(740,150.0)** | **(1,923.6)** | **1,012.1** | **31,619.2** | **22,738.5** |

| **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) |
| 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** |
| | | | | | | |
| Loss net of tax | - | - | (3,405.8) | - | - | (3,405.8) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (3,405.8) | - | - | (3,405.8) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Equity-settled transactions with employees | - | - | - | 58.7 | - | 58.7 |
| **At 30 June 2019** | **1,878.6** | **730,302.2** | **(575,452.3)** | **1,130.7** | **40,300.3** | **198,159.5** |
| Loss net of tax | - | - | (5,956.7) | - | - | (5,956.7) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (5,956.7) | - | - | (5,956.7) |
| Equity-settled transactions with employees | - | - | - | 38.7 | - | 38.7 |
| **At 30 September 2019** | **1,878.6** | **730,302.2** | **(581,409.0)** | **1,169.4** | **40,300.3** | **192,241.5** |
| Loss net of tax | - | - | (429,380.0) | - | - | (429,380.0) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (429,380.0) | - | - | (429,380.0) |
| Equity-settled transactions with employees | - | - | - | 37.8 | - | 37.8 |
| **At 31 December 2019** | **1,878.6** | **730,302.2** | **(1,010,789.0)** | **1,207.2** | **40,300.3** | **(237,100.7)** |

| **THE COMPANY** | **Share Capital** | **Share Premium** | **Accumulated Losses** | **Employee Share Option Reserve** | **General Reserve** | **Total Equity** |
|---|---|---|---|---|---|---|
| | | | *(US$ thousands)* | | | |
| **At 1 January 2018** | **1,878.6** | **730,302.2** | **(24,307.8)** | **767.2** | **40,300.3** | **748,940.5** |
| Loss net of tax | - | - | (14,080.0) | - | - | (14,080.0) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (14,080.0) | - | - | (14,080.0) |
| Equity-settled transactions with employees | - | - | - | 61.5 | - | 61.5 |
| **At 31 March 2018** | **1,878.6** | **730,302.2** | **(38,387.8)** | **828.7** | **40,300.3** | **734,922.0** |
| Loss net of tax | - | - | (8,887.6) | - | - | (8,887.6) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (8,887.6) | - | - | (8,887.6) |
| Equity-settled transactions with employees | - | - | - | 62.0 | - | 62.0 |
| **At 30 June 2018** | **1,878.6** | **730,302.2** | **(47,275.4)** | **890.7** | **40,300.3** | **726,096.4** |
| Loss net of tax | - | - | (5,308.3) | - | - | (5,308.3) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (5,308.3) | - | - | (5,308.3) |
| Equity-settled transactions with employees | - | - | - | 61.0 | - | 61.0 |
| **At 30 September 2018** | **1,878.6** | **730,302.2** | **(52,583.7)** | **951.7** | **40,300.3** | **720,849.1** |
| Loss net of tax | - | - | (506,565.7) | - | - | (506,565.7) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | (506,565.7) | - | - | (506,565.7) |
| Equity-settled transactions with employees | - | - | - | 60.4 | - | 60.4 |
| **At 31 December 2018** | **1,878.6** | **730,302.2** | **(559,149.4)** | **1,012.1** | **40,300.3** | **214,343.8** |

**1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 of the issuer and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as 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 did not hold any treasury shares or subsidiary holdings as at 31 December 2019 (31 December 2018: 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 December 2019, 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 December 2019, 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 December 2019, 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 December 2019 | | As at 31 December 2018 | |
|---|---|---|---|---|
| | *(unaudited)* | | | |
| | *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 December 2019 | As at 31 December 2018 |
|---|---|---|
| | *(unaudited)* | |
| | *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 December 2019 (31 December 2018: 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 December 2019 (31 December 2018: 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 2018, 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 2019. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period except for the following.

IFRS 16 *Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related Interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and lease of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exception) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

## 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 December | | For the full year ended 31 December | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **Loss per share attributable to owners of the Company:** | | | | |
| (i) Based on a weighted average number of shares (cents per share) | (5.5) | (5.0) | (11.2) | (9.1) |
| - Weighted average number of shares | 1,502,849,065 | 1,502,849,065 | 1,502,849,065 | 1,502,849,065 |
| (ii) On a fully diluted basis (cents per share) | (5.5) | (5.0) | (11.2) | (9.1) |
| - Adjusted weighted average number of shares | 1,508,035,913 | 1,508,035,913 | 1,508,035,913 | 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 December 2019** | **As at 31 December 2018** | **As at 31 December 2019** | **As at 31 December 2018** |
| | | *(Unaudited) (US$)* | | |
| Net asset value per ordinary share[(1)] | (0.10) | 0.02 | (0.16) | 0.14 |
| Net tangible asset per ordinary share[(1)] | (0.10) | 0.01 | (0.16) | 0.14 |

Note:
(1) Based on share capital of 1,502,849,065 ordinary shares as at 31 December 2019 and 31 December 2018

## 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) seasonable 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 and non-IFRS financial data for the three months and full year ended 31 December 2019.

| | For the three months ended 31 December | | For the full year ended 31 December | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| | | *(unaudited) (US$ thousands)* | | |
| Sales of crude oil | 31,397.9 | 13,402.0 | 110,644.7 | 130,374.8 |
| Sales of gas | 3,674.3 | 4,005.6 | 15,886.3 | 14,430.6 |
| **Revenue** | **35,072.2** | **17,407.6** | **126,531.0** | **144,805.4** |

| | | | | |
|---|---|---|---|---|
| Cost of sales: | | | | |
| Operating costs | (22,872.0) | (3,022.3) | (49,352.6) | (79,912.0) |
| Thai petroleum royalties paid | (2,623.0) | (1,304.4) | (10,024.7) | (10,901.6) |
| Inventories written down | (1,877.5) | (8,940.2) | (1,877.5) | (8,940.2) |
| Depreciation, depletion and amortisation | (20,500.0) | (18,331.7) | (86,651.4) | (49,808.9) |
| **Gross loss** | **(12,800.3)** | **(14,191.0)** | **(21,375.2)** | **(4,757.2)** |
| Other income | 2,885.8 | 32,979.8 | 11,060.7 | 40,517.2 |
| General and administrative expenses | (5,885.2) | (3,913.2) | (18,736.2) | (21,309.4) |
| Other operating expenses | (56,879.2) | (77,784.3) | (86,617.5) | (99,006.4) |
| Finance income | 195.1 | 227.6 | 900.9 | 654.1 |
| Finance costs | (15,155.9) | (11,259.1) | (56,577.7) | (49,261.4) |
| **Loss before tax** | **(87,639.7)** | **(73,940.2)** | **(171,345.0)** | **(133,163.1)** |
| Tax credit/(expense) | 4,931.4 | (1,117.2) | 2,484.6 | (4,189.3) |
| **Loss for the period** | **(82,708.3)** | **(75,057.4)** | **(168,860.4)** | **(137,352.4)** |

### *Revenue*
Working interest production in 4Q2019 averaged 10,030 boepd, a 1.9% increase from the same period last year (4Q2018: 9,847 boepd). The increase was attributable to higher production from G10/48 and Block 9, partially offset lower production from B8/32.

Revenue for 4Q2019 doubled to US$35.1 million (4Q2018: US$17.4 million) mainly as a result of two liftings from the Wassana field in 4Q2019 compared to one lifting in 4Q2018, partially offset by the lower average realised selling prices for oil and liquids.

The average realised oil and liquids sales price in 4Q2019 decreased 21.6% to US$59.82/bbl (4Q2018: US$76.34/bbl). The average realised gas price achieved from B8/32 in 4Q2019 was US$4.81/mcf, 7.3% lower than the same period a year ago (4Q2018: US$5.19/mcf). 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 December** | | **For the full year ended 31 December** | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **Production volumes** | | | | |
| Oil and liquids (bopd) | 4,500 | 4,615 | 4,750 | 5,677 |
| Gas (mmcfd) | 33.2 | 31.4 | 32.9 | 30.1 |
| **Total (boepd)** | **10,030** | **9,847** | **10,229** | **10,691** |
| | | | | |
| **Average sales price** | | | | |
| Oil and liquids (US$/bbl) | 59.82 | 76.34 | 60.04 | 68.89 |
| Gas – B8/32 (US$/mcf) | 4.81 | 5.19 | 4.94 | 4.58 |
| Gas – Block 9 (US$/mcf) | 2.32 | 2.32 | 2.32 | 2.32 |

### *Cost of Sales*
Following the adoption of IFRS 16, operating costs amounted to US$22.9 million in 4Q2019 (4Q2018: US$3.0 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 in 4Q2019 per EBITDAX computation was US$32.5 million (4Q2018: US$3.0 million). The increase in 4Q2019 was mainly due to a higher sales volume from the Wassana field. In

4Q2018, the operating costs had a credit adjustment as a consequence of the year-end weighted average inventory costing being adjusted for DD&A charges per NSAI reserves report.

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. Although operating expenditure associated with the Wassana field is largely fixed, the accounting recognition of costs will fluctuate in line with timing and sales volumes and hence, 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 4Q2019, the Group's average lifting cost was US$24.31/boe compared with US$25.17/boe for 4Q2018. The 3.4% decrease was attributed to higher production volume at the Wassana field.

In 4Q2019, DD&A charges increased to US$20.5 million (4Q2018: US$18.3 million) mainly as a result of additional DD&A of right-of-use assets for the Wassana field operations in accordance with IFRS 16 of US$10.2 million, partially offset by lower DD&A of oil and gas properties for the Wassana field in 4Q2019 of US$6.6 million (4Q2018: US$16.2 million) due to the 4Q2018 adjustment for DD&A charges per NSAI reserves report.

| | For the three months ended 31 December | | For the full year ended 31 December | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **Average lifting cost**[(1)] | | | | |
| Oil, liquids and gas (US$/boe) | 24.31 | 25.17 | 22.98 | 23.70 |
| Net operating expenditure (US$'000) | 22,436.2 | 22,802.2 | 85,800.3 | 92,504.6 |
| Total production (boe) | 922,748 | 905,959 | 3,733,649 | 3,902,390 |

Note:
(1) Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period.

### *Other income*
Other income was US$2.9 million in 4Q2019 compared with US$33.0 million in 4Q2018. The decrease was mainly due to the write-back of unused decommissioning provisions of US$29.0 million in 4Q2018.

### *General and administrative expenses*
General and administrative expenses amounted to US$5.9 million in 4Q2019 (4Q2018: US$3.9 million). The increase was primarily attributable to higher general and administrative expenses allocated to G10/48, partially offset by lower employee benefit expenses.

### *Other operating expenses*
Other operating expenses amounted to US$56.9 million in 4Q2019 (4Q2018: US$77.8 million). The decrease was primarily attributable to lower impairment charges in 4Q2019 in relation to (i) write-off of US$5.6 million for Block 115/09, offshore Vietnam; (ii) write-off of US$24.3 million for the Sakti PSC in Indonesia in accordance with IFRS; and (iii) impairment of G10/48 of US$22.1 million and B8/32 of US$1.0 million, respectively, due to lower oil prices. In 4Q2018, impairment charges for Block 120, the Bala-Balakang PSC and G10/48 amounted to US$67.3 million.

***Finance income***
Finance income was lower year-on-year due to lower average bank balances in 4Q2019.

***Finance costs***
Finance costs amounted to US$15.2 million in 4Q2019 (4Q2018: US$11.3 million), as a result of (i) non-cash accretion of bond discount, lease liability and decommissioning provisions of US$5.8 million; (ii) bank loan interest on the RCF of US$4.5 million; (iii) default interest expenses on the 2022 Notes and 2023 Notes of US$3.7 million; and (iv) financial restructuring expense of US$1.0 million.

***Loss before tax***
The loss before tax in 4Q2019 of US$87.6 million (4Q2018: US$73.9 million) was mainly attributable to higher DD&A charges and increased finance costs for the period.

***Tax credit/expense***
Tax credit amounted to US$4.9 million in 4Q2019 compared with tax expense of US$1.1 million in 4Q2018 mainly as a result of deferred tax adjustment for B8/32.

***Loss for the period***
The net loss for the period was US$82.7 million in 4Q2019 (4Q2018: US$75.1 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

The trajectory for oil prices remains uncertain and the upstream sector enters a new decade with shaken confidence. The full extent of the emergence of COVID-19 is yet to be understood but is widely expected to impact all sectors of the economy worldwide. Immediate consequences in the first two months of 2020 have been manufacturing disruptions, broken supply chains and sharply reduced travel and tourism, all of which curtail energy demand. In its Oil Market Report February 2020, the Paris-based International Energy Agency ("**IEA**") stated: "The consequences of COVID-19 for global oil demand will be significant. Demand is now expected to contract by 435 kb/d in 1Q20, the first quarterly decrease in more than a decade. For 2020 as a whole, we have reduced our global growth forecast by 365 kb/d to 825 kb/d, the lowest since 2011."

The IEA noted that supply-side uncertainties in Africa, South America and parts of the Middle East had had little impact on prices.

***Recent Developments***

- A geotechnical survey was conducted by the *Fugro Mariner* vessel between 17 and 22 January 2020 at the proposed locations of the Mini-Platform and production barge for the Apsara oil development in Cambodia Block A. The survey included a 300-metre pilot hole, 40-metre Piezo Cone Penetration Tests (PCPT) and a 150-metre composite sample/PCPT borehole.

- On 14 February 2020, KrisEnergy announced that its wholly-owned subsidiary, KrisEnergy (Vietnam 115) Ltd., had entered into a farm-out agreement with a major international oil and gas company for the transfer of its entire 100% working interest in Block 115/09, offshore Vietnam, for a nominal cash consideration. The transfer of the exploration block reduces the Company's liabilities and mandatory work commitments comprising a 3D seismic acquisition program of at least 850 sq. km along with processing of the data and the drilling of one exploration well. The transfer of Block 115/09 working interest and operatorship is subject to a number of conditions including approvals from the relevant government authorities. The long stop date for the farm-out agreement is 30 June 2020. See announcement entitled *KrisEnergy in farm-out agreement for Vietnam Block 115/09* dated 14 February 2020.

- On 14 February 2020, KrisEnergy announced that Rubicon Vantage International Pte Ltd ("**Rubicon**") filed a statutory demand dated 10 February 2020 for approximately US$2.84 million in the Cayman Islands against its wholly-owned subsidiary, KrisEnergy (Gulf of Thailand) Ltd. See announcement entitled *Update on Statutory Demand* dated 14 February 2020.

- On 17 February 2020, KrisEnergy announced that it had made an application to the Singapore High Court pursuant to section 221B(7) of the Companies Act (Cap. 50) on 14 February 2020 to seek a 2nd three-month 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 24 February 2020.

- On 20 February 2020, KrisEnergy issued an update on further non-payment of interest relating to the 2022 Notes and the 2023 Notes, and non-payment of principal and interest in relation to term facility agreements. See announcement entitled *Updates on restructuring process: Updates on further non-payment of principal and interest* dated 20 February 2020.

## 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 full year ended 31 December 2019.

### 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 IPT mandate. As at 31 March 2019, the Group had an ongoing general mandate from shareholders for interested person transactions. However, this general mandate was not renewed at the annual general meeting of the Company held on 26 April 2019 and has accordingly lapsed.

### 14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

For management purposes, the Group operates in one business segment: exploration and production of oil and gas across geological basins in Asia. Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

| | **Revenue** | | **Non-current assets** | |
|---|---|---|---|---|
| | **For the year ended 31 December** | | **For the year ended 31 December** | |
| | **2019** | **2018** | **2019** | **2018** |
| | *(unaudited)* | *(audited)* | *(unaudited)* | *(audited)* |
| | | *(US$ thousands)* | | |
| Bangladesh | 10,777.0 | 9,531.0 | 36,061.6 | 37,854.4 |
| Cambodia | - | - | 234,554.1 | 196,722.2 |
| Indonesia | - | - | 31,445.6 | 88,411.4 |
| Thailand | 115,754.0 | 135,274.4 | 121,195.5 | 165,635.6 |
| Vietnam | - | - | - | 4,954.2 |
| **Total** | **126,531.0** | **144,805.4** | **423,256.8** | **493,577.8** |

Non-current assets information presented above consist of exploration and evaluation assets, oil and gas properties, intangible assets and refurbishment assets.

## 15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business of geographical segments

FY2019 revenue from Thailand decreased due to lower realised oil and gas prices for the year. In Bangladesh, where the gas price is held at the same level each year, FY2019 revenue increased due to higher production.

For more details on our capital expenditure, please refer to *Net Cash Flow from Investing Activities* in section 1(c) and for more information on the revenue breakdown, please refer to *Revenue* in section 8.

## 16. A breakdown of sales as follow:

| | The Group | | |
|---|---|---|---|
| | For the year ended 31 December | | % increase / (decrease) |
| | 2019 | 2018 | |
| | *(unaudited)* *(US$ thousands)* | | |
| Sales reported for the first half year | 68,572.0 | 88,234.0 | (22.3) |
| Operating loss after tax reported for first half year before deducting non-controlling interests reported for first half year | (69,493.0) | (51,297.9) | 35.5 |
| Sales reported for the second half year | 57,959.0 | 56,571.4 | 2.5 |
| Operating loss after tax reported for second half year before deducting non-controlling interests reported for second half year | (99,367.4) | (86,054.5) | 15.5 |

## 17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follow:

None.

## 18. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are such persons, the issuer must make an appropriate negative statement.

There were no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company during the financial period under review.

## 19. 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 fourth quarter and full year ended 31 December 2019 to be false or misleading in any material aspect.

## 20. 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, 28 February 2020