



KrisEnergy updates on Apsara oil field review

Singapore, 28 April 2021 – KrisEnergy Ltd. (“KrisEnergy” or “the Company”, together with its subsidiaries, the “Group”), an independent upstream oil and gas company, refers to its announcement dated 31 March 2021 in relation to the production performance of the KrisEnergy-operated Apsara oil development (“Announcement”).

Further to the Announcement, the Company wishes to update that it has received the independent review of the Apsara field’s performance by third-party petroleum engineering consultant, Netherland, Sewell & Associates, Inc. (“NSAI”).

Based on performance data of the five wells since they were brought online on 23 February 2021, NSAI concluded that:

- Estimated ultimate recovery from the five development wells is likely to be a small fraction of the pre-development estimates primarily due to significantly lower volume of hydrocarbon-in-place connected to the wells and the geological complexity resulting in smaller oil accumulations;
- Additional contributing factors for the underperformance include:
 - Performance data indicate that pressure depletion is the dominant recovery mechanism with little to no evidence of water support, resulting in a lower recovery factor; and
 - Lower-than-anticipated well productivity may be due to potential formation damage in the oil-bearing zones.

While the Company is evaluating whether there are any reasonable remedial actions to undertake in order to try and improve production rates, such remedial action has limited potential to increase well productivity (if at all) and is not expected to materially improve total oil recovery due to the fixed configuration of the subsurface reservoirs.

Apsara productivity versus oil price

Lower production from the Apsara wells will have a substantial adverse impact on revenue generated from the Apsara Mini Phase 1A development despite the recovery in benchmark oil prices since the lows of 2020 when the COVID-19 pandemic began to emerge.

The average price of benchmark Brent crude oil in 2020 was approximately US\$43.00 per barrel (“bbl”), the lowest average since KrisEnergy was established in 2009. As of 27 April 2021, the Brent price in 2021 to date has averaged US\$62.12/bbl. The benchmark price is an indicator of oil price direction and not the realised price achieved for Apsara crude oil. Actual realised price will fluctuate and could be lower or higher than the benchmark price depending on the specific crude quality and overall market conditions at the time of entering into crude sales contracts.

Despite the recovery in oil prices, the disappointing recovery expected from Apsara production will significantly reduce revenues generated from the development and therefore further deteriorate the Company’s financial condition and its ability to service the Cambodia Block A project financing loan from Kepinvest Singapore Pte. Ltd. and other obligations and expenditure.



This announcement should also be read in conjunction with the Company's announcement dated 20 April 2021 in relation to the Company's restructuring exercise.

The Company will continue to keep its stakeholders updated and will make the appropriate announcements as and when there are any material updates or developments. Shareholders, noteholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when dealing in the Company's securities.

BY ORDER OF THE BOARD

Kelvin Tang
Chief Executive Officer and Executive Director

Please contact the below individual for any enquiries:

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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, one each in the Gulf of Thailand and offshore Cambodia, and one onshore Bangladesh. It also participates in five blocks in various stages of the E&P lifecycle in Indonesia and Thailand. KrisEnergy operates six of the contract areas.