



9 February 2021

To Shareholders of KrisEnergy Ltd.¹,

On behalf of the Board of Directors, I would like to express my sincere appreciation of your continued support of the Company and to inform you of progress in the restructuring process since it was launched in August 2019.

KrisEnergy commenced the restructuring process 18 months ago to reorganise our liabilities, which had become too burdensome for the Company to be sustainable. We requested a suspension of trading in all our securities – equity and bonds – on the Singapore Exchange (“SGX”) and applied to the High Court of the Republic of Singapore for 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 was granted and has been subsequently extended to date.

Following the granting of the moratorium, we embarked, together with our advisors, on a strategic review to evaluate a wide range of strategic alternatives including raising capital at the corporate and/or asset level in the form of debt, equity, joint-venture investment and crude prepayment financing; selling assets individually or as the Group; a corporate merger or sale; as well as a reorganisation of the Group’s liabilities that would provide a holistic and sustainable solution to deleverage our balance sheet and benefit all stakeholders with the potential upside of future growth.

At the start of this process, we knew the road ahead was long with many hurdles to overcome. We understood that there were many steps to go through, all inter-conditional and requiring the participation and approvals from all stakeholders at various intervals. Our challenges were further compounded by the COVID-19 pandemic and the resultant crash in crude oil prices and increase in the cost of capital.

Despite the challenges, after months of negotiations with various stakeholders, we announced the final restructuring proposal on 21 August 2020 (“Restructuring Exercise”), which comprises four inter-conditional components to implement the holistic restructuring of the Group:

- Bilateral agreement to extend the maturity date of the Group’s existing US\$200.0 million revolving credit facility (“RCF”) from 31 December 2020;
- Full conversion of unsecured liabilities - including the unsecured notes due 2022 and 2023, unsecured term loans and certain amounts owing to trade creditors (collectively, “Unsecured Creditors”) - to equity under a Scheme of Arrangement;
- Partial conversion of the Zero Coupon Notes (“ZCNs”) due January 2024 to equity and the extension of the maturity date for the remaining ZCNs to December 2025 through a Consent Solicitation Exercise; and

¹ KrisEnergy Ltd. (“KrisEnergy” or the “Company”, or together with its subsidiaries, the “Group”),

- An extraordinary general meeting (“EGM”) of Shareholders to approve the issuance of the new shares pursuant to the Scheme of Arrangement and the Consent Solicitation Exercise.

Cambodia milestone

At the heart of the Restructuring Exercise was the potential future growth of KrisEnergy through its existing assets, specifically the development of the Apsara oil field in Block A offshore Cambodia (“CBA”). Of the assets in the KrisEnergy portfolio, CBA offered the most mature development plan with approvals in place from the Royal Government of Cambodia as well as further upside potential in the long term.

We were able to secure a loan facility for the CBA development from Kepinvest Singapore Pte. Ltd. (“Kepinvest”). Kepinvest is a subsidiary of Keppel Corporation Ltd, which is a controlling shareholder of KrisEnergy through its wholly-owned subsidiary, Keppel Oil & Gas Pte Ltd (“KOG”). As a result of these relationships, the loan facility was deemed an Interested Person Transaction (“IPT”) under Chapter 9 of the Listing Manual and, on 29 June 2020, independent Shareholders passed the resolution to approve the loan facility.

Approval of the loan facility resulted in the full funding of the initial Mini Phase 1A development of CBA, which commenced production on 28 December 2020. Achieving first oil at CBA is a strategic milestone for KrisEnergy, but importantly, as Cambodia’s first producing oil field, it is historic to the people of Cambodia and the economy of the nation.

Restructuring progress

In parallel to the development of CBA, we have been working to progress the four components of the Restructuring Exercise. As previously announced, we have delivered to date the following:

- The Group has entered into the bilateral agreement for the RCF and the maturity date of the RCF has been extended by six months from 31 December 2020 to 30 June 2021. Once the Restructuring Exercise is fully completed, there will be a further extension of the RCF maturity date to 30 June 2024;
- The Scheme of Arrangement was approved on 14 January 2021 by the Unsecured Creditors at a meeting of the Unsecured Creditors and sanctioned by the Singapore Court on 1 February 2021;
- The meeting of ZCN holders for purposes of the Consent Solicitation Exercise is to be held at 9.30 a.m. on 11 February 2021. As at 9 February 2021, irrevocable voting instructions from noteholders representing a total of 110,991,502 votes have been received by the meeting agent, and 100% of votes received are in favour of the extraordinary resolution being proposed in connection with the Consent Solicitation Exercise. This is in excess of the requisite voting threshold for such resolution to be passed; and
- We are now progressing the last remaining component of the Restructuring Exercise, being the convening of the EGM to seek Shareholders’ approval for the issuance of the new shares pursuant to the Scheme of Arrangement and the Consent Solicitation Exercise. This is the final step for KrisEnergy to emerge from the restructuring – and this restructuring is the only viable path for KrisEnergy to remain a listed company and for our shares to resume trading on the SGX.

Given the positive outcomes thus far of three of the four components of the Restructuring Exercise, I urge all shareholders to vote in favour of the EGM resolutions so we may look forward to the continued operation of the Group and the opportunity to increase value through further

development of KrisEnergy's assets. If shareholders' approval is not received for the issuance of new shares pursuant to the Scheme of Arrangement and the Consent Solicitation Exercise, the Restructuring Exercise cannot be completed and KrisEnergy will likely enter some form of liquidation process. In which event, KrisEnergy will not be able to retain its listing status and its shares will not be able to be traded on the SGX.

Many companies in the upstream and offshore/marine sectors are facing similar financial crises as KrisEnergy due to the depressed and turbulent business environment, which began in the second half of 2014 and was exacerbated in 2020 with the COVID-19 pandemic. Some companies will survive while others will fall by the wayside.

In the 18 months since we embarked on this journey, there has been a heavy load of communication related to the financing of the CBA development and the restructuring process. I wanted to contact you directly to summarise the progress to date in the Restructuring Exercise and what remains to be achieved for KrisEnergy to emerge from the restructuring.

I also want to thank you for your patience and enduring support. The Board and management of KrisEnergy continue to work diligently to get through the restructuring, while our technical teams remain fully engaged to realise value from our portfolio of assets.

All relevant information on the Restructuring Exercise can be found on the SGXNet and on our website at <https://www.krisenergy.com/Investors/restructuring-information-centre>, and Shareholders may submit any queries on the Restructuring Exercise through email at krisenergy@krisenergy.com.

Recognising the complexity of the restructuring process and the large number of announcements and legal documents published to date, I invite each shareholder to contact us directly such that we can walk you through the restructuring proposal per the terms published on KrisEnergy's website. Our advisors, Tanya Pang (VP Investor Relations & Corporate Communications) and I may be contacted through email at KrisEnergy@hl.com and krisenergy@krisenergy.com.

We look forward to hearing from you.

Yours sincerely,

Kelvin Tang

Chief Executive Officer & Executive Director
9 February 2021