



## **Responses to Certain Frequently Asked Questions in Relation to KrisEnergy Ltd.'s Application for Moratorium pursuant to Section 211B of the Companies Act (Cap. 50)**

**Singapore**, 14 August 2019 – KrisEnergy Ltd. (“KrisEnergy” or the “Company”, and together with its subsidiaries, the “Group”) refers to the Company’s announcements dated 14 August 2019 relating to (i) the application to the High Court of the Republic of Singapore for a moratorium pursuant to Section 211B of the Companies Act (Cap. 50) (the “Application”); and (ii) the request for a suspension of trading of the Company’s securities listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”), and wishes to provide responses to certain frequently asked questions.

### **Restructuring Process**

#### **1. What is the effect of a moratorium?**

Broadly speaking, the moratorium prevents creditors from taking action against the Company. This includes commencing or continuing any legal proceedings or enforcing security rights against KrisEnergy. With a moratorium in place, KrisEnergy will be given the breathing space it needs to formulate and put forward a restructuring proposal.

KrisEnergy aims to ensure that its business operations continue as usual during this process, both in Singapore and in the other operating countries.

#### **2. How long will the moratorium last?**

Upon filing of the Application, KrisEnergy is provided with an automatic moratorium for a period of 30 days. This period may be extended by the Court. KrisEnergy will provide regular updates on the restructuring process on SGX-NET and there will be a dedicated page on the KrisEnergy corporate website entitled *Restructuring Information Centre* (<https://krisenergy.com/investors/restructuring-information-centre/>).

#### **3. What restructuring process is KrisEnergy involved in?**

KrisEnergy Ltd. has decided to commence a Singapore court-supervised restructuring process under section 211B(1) of the Companies Act (Cap. 50) to preserve the viability of its business.

This process will provide KrisEnergy with breathing space to seek a restructuring of its liabilities and engage its stakeholders in formulating a restructuring plan.

During this period, KrisEnergy’s current management will continue to run the Company’s operations.

KrisEnergy expects to eventually propose a scheme of arrangement under section 210 of the Companies Act (“Scheme”).



**4. Why has KrisEnergy commenced such a restructuring process?**

The steep and prolonged downturn in oil commodity prices severely affected revenue generated from the KrisEnergy Group's producing assets and therefore cash flow and the Group's ability to fulfil work programs.

Depressed oil price valuations have had several impacts:

- A lack of investment in certain exploration/appraisal assets due to reduced funding for capital expenditure has led to non-cash write-downs and/or impairments on asset valuations which has resulted in a continuous erosion of the Company's equity position;
- Difficult conditions for the Company to raise equity to fund capital expenditure; and
- Limited activity on the then prevailing M&A market for the Company to farm-out or divest certain assets to reduce its capital expenditure and risk profile.

In the circumstances, KrisEnergy has decided to commence a court-supervised restructuring process. This process will provide KrisEnergy with breathing space to seek a restructuring of its liabilities and engage its stakeholders in formulating a restructuring plan.

**5. How will KrisEnergy's business be affected by the restructuring process?**

Notwithstanding the liquidity pressure on KrisEnergy, it will aim to continue operations as usual during this period.

During this period, KrisEnergy's current management will continue to run the Company's operations.

It is in all stakeholders' interest and the Company's interest to maintain existing production and, therefore, revenue and cash flow while progressing value-creating developments such as the Apsara oil field in Cambodia.

**6. When will this restructuring process be completed?**

It is currently envisaged that the restructuring process will be completed within six months.

**7. Where can I get information on the restructuring process?**

KrisEnergy will provide regular updates on the restructuring process on SGXNET and there will be a dedicated page on the KrisEnergy corporate website entitled *Restructuring Information Centre*.

**8. How does the restructuring process affect the KrisEnergy's operations outside of Singapore?**

KrisEnergy aims to ensure that its business operations continue as usual during this process, both in Singapore and in the other operating countries.



**9. When will KrisEnergy announce its restructuring plans?**

KrisEnergy will provide regular updates on the restructuring process on SGXNet and there will be a dedicated page on the KrisEnergy corporate website entitled *Restructuring Information Centre*.

**Court-supervised Process**

**10. Where can I get updates on the court proceedings?**

Following the Application, KrisEnergy will be publishing a notice of the Application in the Government e-Gazette and *The Business Times* as soon as practicable.

KrisEnergy will also provide regular updates on the court proceedings on SGXNET and there will be a dedicated page on the KrisEnergy corporate website entitled *Restructuring Information Centre*.

**11. Can I attend the hearings in court?**

The hearings are likely to be heard in chambers and will not be open to the public to attend.

**12. Can I get a copy of the documents filed in court?**

These documents are usually not available to the public as these documents typically contain confidential information of the Company.

**Creditors**

**13. Will I be able to get my money back?**

It is not feasible for us to make any payments on any restructured liabilities until the Court has concluded the process and sanctioned the Scheme and after regulatory approvals (where necessary) have been obtained in respect of the Scheme.

**14. Do I need to file a proof of debt?**

Relevant creditors will be notified to submit their proof of debts at the appropriate juncture of the restructuring process.

**15. Can I commence legal proceedings against KrisEnergy for debts owing to me?**

Given that a moratorium is in place, any creditor who wishes to commence proceedings against KrisEnergy may only do so with leave of the Court.



## Noteholders & Shareholders

### **16. How long will the securities suspension last?**

We are unable to provide an indication of the period of the securities suspension as this will depend on, among other things, the duration of the restructuring process and outcome of our negotiations with the various stakeholders. However, we intend to lift the suspension as soon as it is appropriate to do without compromising the interests of stakeholders.

### **17. Will I lose all my shares?**

No. KrisEnergy will request for a lifting of the trading suspension as soon as it is appropriate to do without compromising the interests of stakeholders.

### **18. When will KrisEnergy make payment on the notes?**

Discussions are on-going with investors and the various stakeholder groups, including the securities holders. We are committed to working with our advisors on how best to manage our cash position and critical payments to be made during this process. We endeavour to provide you with updates on this in due course.

### **19. Can I bring any claims under the securities I hold?**

Given that a moratorium is in place, any creditor who wishes to commence proceedings against KrisEnergy may only do so with leave of the Court.

### **20. Will KrisEnergy continue to file public reports, like earnings and financial results?**

KrisEnergy will continue to fulfil its obligations to file the necessary items as required under SGX Listing Rules.

### **21. Will there be town hall meetings with the bondholders and shareholders?**

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. The Company will also maintain a dedicated page on the KrisEnergy corporate website entitled *Restructuring Information Centre*. To effectively engage with all stakeholders, the Company intends to convene, and will provide notice of, townhall meetings in due course.