

KRISENERGY LTD

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

Unaudited Second Quarter & Six Months ended 30 June 2020 Financial Statements Announcement



13 August 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 11 contract areas in Asia, eight of which we operate. Today, we present our unaudited financial statements reflecting the financial and operating results for the three months (“2Q2020”) and six months (“1H2020”) ended 30 June 2020 (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 30 June			For the six months ended 30 June		
	2020	2019	% Change	2020	2019	% Change
	<i>(US\$ thousands, except where otherwise indicated)</i>					
Financial						
Sale of crude oil & liquids	10,337.9	38,862.9	(73.4)	26,010.4	60,458.2	(57.0)
Sale of gas	2,728.8	4,123.1	(33.8)	6,191.1	8,113.8	(23.7)
Revenue	13,066.7	42,986.0	(69.6)	32,201.5	68,572.0	(53.0)
Adjusted EBITDAX⁽¹⁾	(21,462.8)	9,491.9	(326.1)	(18,002.9)	18,562.6	(197.0)
Cash and bank balances	54,428.8	51,702.0	5.3	54,428.8	51,702.0	5.3
Operations						
Oil and liquids (<i>boepd</i>)	2,605	5,324	(51.1)	3,393	4,986	(31.9)
Gas (<i>mmcf</i>)	24.0	32.1	(25.2)	28.0	32.5	(13.6)
Production volumes (<i>boepd</i>)	6,603	10,669	(38.1)	8,066	10,396	(22.4)
Average sales price						
• Oil and liquids (<i>US\$/bbl</i>)	25.05	64.30	(61.0)	41.57	61.47	(32.4)
• Gas – B8/32 (<i>US\$/mcf</i>)	4.38	4.93	(11.2)	4.60	5.00	(8.0)
• Gas – Block 9 (<i>US\$/mcf</i>)	2.32	2.32	-	2.32	2.32	-
Average lifting costs (<i>US\$/boe</i>) ⁽²⁾	23.32	20.14	15.8	22.88	21.04	8.8

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 30 June		For the six months ended 30 June	
		2020	2019	2020	2019
<i>(unaudited)</i>					
<i>(US\$ thousands)</i>					
Cash	Revenue	13,066.7	42,986.0	32,201.5	68,572.0
	Adjusted operating costs ⁽³⁾	(33,304.4)	(29,330.2)	(46,892.0)	(42,759.7)
	Thai petroleum royalties paid	(876.6)	(3,453.1)	(2,291.7)	(5,597.8)
	Gross (loss)/profit before depreciation, depletion and amortisation	(21,114.3)	10,202.7	(16,982.2)	20,214.5
	Corporate general and administrative expense	(708.0)	(710.8)	(1,380.2)	(1,651.9)
	Gain on early termination of lease	359.5	-	359.5	-
	Adjusted EBITDAX⁽⁴⁾	(21,462.8)	9,491.9	(18,002.9)	18,562.6
	Geological and geophysical expenses	(2,409.5)	(1,972.8)	(2,789.0)	(2,996.7)
	Gain on disposal of exploration and evaluation assets	9,462.0	-	9,462.0	-
	Provision for decommissioning costs	(7,662.0)	-	(7,662.0)	-
	Exploration expenses	-	34.9	-	90.7
	Adjusted EBITDA⁽⁴⁾	(22,072.3)	7,554.0	(18,991.9)	15,656.6
	Finance costs	(9,166.1)	(8,311.7)	(17,988.2)	(14,888.5)
	Adjusted cash (loss)/profit before tax	(31,238.4)	(757.7)	(36,980.1)	768.1
	Non-Cash	Non-cash items:			
Finance costs (accretion of bond discount ⁽⁵⁾ , decommissioning provision and lease liability)		(5,327.0)	(5,058.6)	(10,740.9)	(9,954.9)
Depreciation, depletion and amortisation		(6,235.8)	(13,126.4)	(15,217.4)	(24,686.3)
Impairment of goodwill		(1,300.3)	-	(1,300.3)	-
Impairment of assets		(52,741.7)	(34,252.5)	(52,741.7)	(34,252.5)
Net fair value (loss)/gain on financial instruments		(442.1)	310.1	1,805.4	(204.6)
Unrealised exchange gain/(loss) on 2022 Notes, 2023 Notes and 2024 ZCNs		4,982.9	5,034.7	11,847.3	176.7
Other unrealised exchange differences		450.9	193.7	(1,864.9)	375.7
Adjusted loss before tax⁽⁶⁾	(91,851.5)	(47,656.7)	(105,192.6)	(67,777.8)	

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.

First Half 2020 Financial Update

The emergence of the COVID-19 pandemic and the resultant unprecedented contraction in global fuel demand at a time of an oil supply glut led to a 36.4% drop in benchmark Brent crude prices in 1H2020 relative to the first half of 2019 (“**1H2019**”). The steepest price decline occurred in 2Q2020, when the Brent marker dropped 34.3% compared with the first three months of the year and 51.2% versus the second quarter 2019 (“**2Q2019**”) as governments across the world enacted lockdown measures to try and reduce the spread of the coronavirus.

The Group’s realised selling prices for crude oil and liquids were heavily impacted in 2Q2020 during which there were two liftings – in April and May – from the Wassana oil field when prices were at the 1H2020 lows between US\$16.00 and US\$27.00 per barrel (“**bbl**”) compared with one lifting in February 2020 when the price achieved was a little over US\$50.00/bbl. The Group’s average realised selling price of US\$25.05/bbl in 2Q2020 was the lowest since the first quarter 2016 (US\$20.85/bbl).

The steep drop in oil markets and uncertainty over the magnitude and sustainability of any recovery resulted in the suspension of production at the Wassana field in the G10/48 concession in the Gulf of Thailand in 2Q2020.

Lower prices and sales volume impacted 1H2020 Group revenue, which decreased 53.0% to US\$32.2 million. Non-cash impairment charges of US\$54.0 million as a result of lower future oil price assumptions and in accordance with IFRS, non-cash DD&A charges of US\$15.2 million and finance costs of US\$18.0 million resulted in a loss before tax of US\$105.2 million in 1H2020. Net cash flow from operating activities in 1H2020 and 2Q2020 remained positive at US\$10.1 million and US\$2.9 million, respectively.

The net loss recorded in 1H2020 deepened the Group’s capital deficiency position to US\$251.3 million and the net current liability position to US\$533.5 million as at 30 June 2020. Total debt recognised on the Group’s balance sheet amounted to US\$505.3 million and gearing was 199.0%.

- **Production:** Working interest production in 1H2020 averaged 8,066 barrels of oil equivalent per day (“**boepd**”), 22.4% lower than the same period last year (1H2019: 10,396 boepd) mainly as a result of the suspension of production from Wassana field, lower production and contracted gas sales from B8/32 and government-mandated cuts to gas production rates in Block 9, Bangladesh.
- **Realised Pricing:** The Group’s average realised selling price for oil and liquids in 1H2020 was US\$41.57/bbl, a decline of 32.4% compared to a year ago (1H2019: US\$61.47/bbl) as benchmark prices dropped during the period. The average realised gas price for the B8/32 licence decreased 8.0% to US\$4.60 per thousand cubic feet (“**mcf**”) (1H2019: US\$5.00/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 unchanged at US\$2.32/mcf.
- **Revenue:** Lower production volumes and average realised selling price for oil and liquids resulted in a 53.0% decrease in 1H2020 revenue to US\$32.2 million (1H2019: US\$68.6 million).

- Adjusted Operating Costs:** Operating costs in 1H2020 including the bareboat charters for the Wassana field operations – namely the mobile offshore production unit (“**MOPU**”) and the floating storage and offloading vessel (“**FSO**”) – were US\$46.9 million (1H2019: US\$42.8 million). The increase was primarily a result of the decline in production from the Wassana field as operations ceased in early June 2020. As a result, the operating cost attributable to the crude oil barrels lifted is higher as operating expenditure is largely fixed. 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. Hence, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue earned.
- 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 1H2020, the average lifting cost was US\$22.88 per barrel of oil equivalent (“**boe**”) compared with US\$21.04/boe for 1H2019. The 8.8% increase was attributed to lower production volumes related to the G10/48 and B8/32 assets.
- Adjusted EBITDAX:** Amounted to a loss of US\$18.0 million in 1H2020 compared to a gain of US\$18.6 million in 1H2019 as a result of the gross loss before DD&A of US\$17.0 million for the period.
- Loss Before Tax:** Amounted to US\$105.2 million in 1H2020 (1H2019: US\$67.8 million) due to lower revenue, impairment charges, and increased finance cost. Material non-cash charges to the profit and loss statement in 1H2020 amounted to US\$68.1 million. Owing to the prevailing depressed global outlook for business activity and oil prices, the Company has undertaken a reassessment of the commerciality of certain assets resulting in (a) non-cash impairment charges of US\$54.0 million recognised in 2Q2020 comprising (i) charges of US\$33.5 million relating to impairment of producing and near-term producing assets due to lower forecasted benchmark oil prices; (ii) impairment of G10/48 of US\$13.7 million following suspension of production; and (iii) provision in accordance with IFRS of US\$6.8 million for the SS-11 production sharing contract (“**PSC**”) related to the approaching expiry of the exploration concession; (b) US\$15.2 million for DD&A charges; and (c) US\$10.7 million related to the non-cash accretion of bond discount, lease liability and decommissioning provision; partially offset by (d) US\$11.8 million for net unrealised foreign exchange gains.
- Cash & Bank Balances:** As at 30 June 2020, the Group’s cash and bank balances amounted to US\$54.4 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\$48.1 million. Total unused sources of liquidity excluding amounts held under joint operations and including undrawn amounts of the revolving credit facility with DBS Bank Ltd (“**RCF**”) amounted to US\$32.3 million.

Further discussion of the Group's financial results is set out in Section 8 of this *Financial Statements Announcement*.

Corporate Update

- On 27 April 2020, the Company updated stakeholders that KrisEnergy (Gulf of Thailand) Ltd (“**KEGOT**”) had issued proceedings in the High Court of Justice Business and Property Courts of England and Wales against Rubicon Vantage International Pte Ltd (“**Rubicon**”) seeking, inter alia, (i) damages for breaches of a bareboat charter (“**Bareboat Charter**”); (ii) damages for misrepresentation; and (iii) an indemnity in respect of the judgement amount previously awarded by the English High Court in respect of Rubicon’s call on a parent company guarantee relating to the Bareboat Charter. In addition, an affiliate of Rubicon, Maritime International Services Pte Ltd (“**Maritime**”), had sought to make a demand of approximately US\$5.4 million against the Company in relation to a separate parent company guarantee relating to an operations and maintenance contract. On 3 June 2020, the Company updated stakeholders that Rubicon had filed a further statutory demand for approximately US\$0.92 million in the Cayman Islands against KEGOT under the Bareboat Charter (which the Company has since terminated). On 15 June 2020 and 19 June 2020, the Company further updated stakeholders that Rubicon had served a winding-up petition against KEGOT in the Cayman Islands (in respect of the statutory demand dated 10 February 2020 for approximately US\$2.84 million against KEGOT under the Bareboat Charter), following the dismissal of KEGOT’s application to restrain Rubicon’s presentation of the winding-up petition (“**Petition**”), and that KEGOT has since lodged a notice of appeal against the Petition. See announcements entitled Update on Legal Proceedings with Rubicon dated 27 April 2020, 3 June 2020, 15 June 2020 and 19 June 2020.
- On 19 May 2020, the Company confirmed Ms Joanne Ang, the Group’s interim Chief Financial Officer (“**CFO**”), as permanent CFO with immediate effect. See announcement entitled *KrisEnergy confirms interim CFO as permanent* dated 19 May 2020.
- On 29 June 2020, the Company convened its 7th Annual General Meeting and all resolutions were passed. See announcements entitled *Resolutions passed at KrisEnergy Ltd.’s 7th Annual General Meeting* dated 29 June 2020 and *KrisEnergy Ltd: Minutes of 7th Annual General Meeting* dated 7 July 2020.

Group Capital Management

- **Going Concern:** The Group’s financial statements for the period ending 30 June 2020 have been prepared on a going concern basis. As disclosed in previous financial statements announcements of the Company, the Group is over-gearred 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 2019 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. 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 2022 Notes, 2023 Notes and the 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 occurrence 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.
- On 17 February 2020, KrisEnergy applied for a 2nd extension of the moratorium and on 24 February 2020, the Singapore High Court granted the moratorium extension until 27 May 2020. See announcement entitled *Updates on restructuring process – Outcome of 2nd moratorium extension application* dated 25 February 2020.

- On 20 February 2020, the Company announced the non-payment of certain obligations due to the financial condition of the Group. See announcement entitled *Updates on restructuring process – Updates on further non-payment of principal and interest* dated 20 February 2020.
- On 29 May 2020, KrisEnergy applied for a 3rd extension of the moratorium and on 18 June 2020, the Singapore High Court granted the moratorium extension until 27 August 2020. See announcement entitled *Updates on restructuring process – Outcome of 3rd moratorium extension application* dated 18 June 2020.
- On 9 June 2020, the Company announced the non-payment of interest payable under the 2022 Notes amounting to S\$2,708,160 due 9 June 2020. See announcement entitled *Updates on restructuring process – Updates on further non-payment of interest* dated 9 June 2020.
- On 19 June 2020, the Company held a 2nd Informal Investor Meeting for holders of KrisEnergy securities to present terms of the pending financial restructuring. See announcements entitled *Presentation – KrisEnergy Ltd. 2nd Informal Investor Meeting* dated 16 June 2020 and *KrisEnergy Ltd.'s Q&A from 2nd Informal Investor Meeting on 19 June 2020* dated 27 June 2020.
- **RCF:** On 30 June 2020, the Group entered into an amendment agreement with DBS Bank Ltd (“**DBS**”), as lender of the RCF, to extend the maturity of the RCF by six months to 31 December 2020. See announcement entitled *KrisEnergy extends revolving credit facility to 31 December 2020* dated 30 June 2020.
- **CBA Loan Facility:** The Group has secured the funding for the development of the Group’s near-term development project at Cambodia Block A an offshore development oil and gas asset located in the Khmer Basin of the Gulf of Thailand.
 - On 30 April 2020, the indirect wholly-owned subsidiaries KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd, entered into a credit facility agreement with Kepinvest Singapore Pte. Ltd. (“**Kepinvest**”), a subsidiary of Keppel Corporation Limited, for the aggregate principal amount of up to US\$87.0 million to fund the development of the Apsara oil field in Cambodia Block A (“**CBA Loan Facility**”). See announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.
 - On 29 June 2020, the Company convened an Extraordinary General Meeting to approve the provision of the CBA Loan Facility by Kepinvest as an Interested Person Transaction (“**IPT**”) as set out in the *Circular to Shareholders* dated 10 June 2020. The IPT resolution was passed with 99.85% of the total number of votes. Accordingly, the interest cap in relation to the CBA Loan Facility has ceased to apply on and from 29 June 2020. See announcements entitled *Resolution passed at KrisEnergy Ltd.'s Extraordinary*

General Meeting dated 29 June 2020, KrisEnergy Ltd: Minutes of extraordinary General Meeting dated 7 July 2020 and Amendment of Loan Agreement with Kepinvest Singapore Pte. Ltd. dated 8 July 2020.

First Half 2020 Operational Update

KrisEnergy activated its business continuity plan in February 2020 due to COVID-19 and implemented health and safety measures in all offices and field locations as mandated by host government authorities. These measures remain in place.

The suspension of the Wassana oil field in the G10/48 concession in the Gulf of Thailand reduced the Thailand workforce by approximately 25.0%. The FSO vessel, *Rubicon Vantage*, was disconnected from the calm buoy and left the Wassana field location on 11 July 2020.

Production

- Gross production in the KrisEnergy-operated Wassana oil field averaged 2,809 bopd in 1H2020 and the Group's working interest production averaged 2,486 bopd. Production at the field has been suspended until further notice.
- Gross production in 1H2020 in the KrisEnergy-operated Bangora gas field averaged 83.6 million cubic feet per day ("**mmcf**") and 251 barrels of condensate per day. KrisEnergy's working interest production in the first six months 2020 averaged 4,257 boepd.
 - Bangora gas production in the first two months of the year averaged in excess of 100 mmcf. In the first half of March 2020, the state gas distribution company requested intermittent reductions of 10.0% to 15.0% in supplies to the national grid. Bangora output was further restricted to 50 mmcf at the direction of the Ministry of Power, Energy and Mineral Resources as a result of reduced demand due to a nationwide public holiday and government controls to limit the spread of COVID-19. A further cutback to 28 mmcf was implemented in early April 2020 and three of five Bangora development wells were shut in.
 - The government restrictions were lifted in early May 2020 and full production from all five wells was restored on 8 May 2020 at a little over 100 mmcf.
 - As at end-July 2020, the government has requested a curtailment of Bangora gas supply to approximately 70.0 mmcf.
 - Production of associated condensate at the Bangora field is approximately 3 barrels per 1 mmcf and therefore condensate production at the field is reduced proportionately.
- Gross production in the non-operated B8/32 fields in 1H2020 averaged 17,947 bopd and 63.6 mmcf¹. KrisEnergy's working interest production averaged 1,323 boepd.
 - Eight infill wells have been drilled and put into production in the 2020 drilling campaign. A second batch of eight wells were completed in July 2020 and are expected to go online shortly. The third and final batch of eight wells for 2020 will commence drilling in September 2020.

¹ As at 1 October 2019, gas sales from B8/32 were permanently reduced. The daily contracted sales quantity / maximum contracted quantity was reduced from 65/75 mmcf to 45/51.75 mmcf

Cambodia Apsara Oil Development

As previously disclosed on 30 April 2020, the Cambodian government has extended the deadline for first oil production to be achieved by 31 December 2020, failing which consequences could include the termination of the concession rights for Cambodia Block A. See announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.

Although restrictive COVID-19 measures have curtailed personnel movement and delayed delivery of some materials and equipment, progress has continued in 1H2020 on the main components of the infrastructure for the Block A Apsara oil development project:

- The jacket and topsides for the Apsara minimum facilities wellhead platform (“**Mini-Platform**”) are under fabrication in Batam Island, Indonesia. Work at the facility has continued throughout 1H2020 despite COVID-19 restrictions. The 4th and final section of the jacket frame was lifted into place in July 2020 and all welding has been completed. The full structure of the topside is completed and integration of pipe work, electrical and instrument equipment is ongoing. The Mini-Platform is scheduled to load and sail to the Apsara field location by the end of August 2020.
- Work was suspended in Singapore shipyard facilities in late April 2020 including the Gul shipyard where the *Ingenium II* production barge for the Apsara development is under upgrade and refurbishment. Limited personnel were permitted entry to the Gul yard on 2 June 2020 to resume works. The vessel is nearing mechanical completion. Installation of heating, ventilation and air conditioning system was completed in July 2020 and the powergen system is running. The vessel will shortly go into one month of commissioning required for safety systems, fire and gas systems, process control systems, electrical power distribution systems, as well as accommodation and mooring systems.
- Contracts have been awarded for the transport and installation of the production barge and Mini-Platform.
- A letter of award has been agreed with PV Drilling for the *PVD III* jacket-up rig to drill five development wells for the Apsara Mini-Phase 1A development.
- The shore base in Sihanoukville, Cambodia, has been upgraded and security installed and is fully operational.

Concession Updates

- The Indonesian authorities approved an application to extend the KrisEnergy-operated Sakti PSC into the second phase exploration period for four years. The first exploration phase expired on 25 February 2020 and was extended to 25 February 2024. The gross acreage of the contract area was reduced to 989 sq. km from 3,719 sq. km. The Sakti PSC lies adjacent to the Bulu PSC where the Lengo gas development is located and would provide a gas aggregation opportunity if exploration is successful.
- On 19 June 2020, the Company announced the extension of the long stop date to 30 September 2020 from 30 June 2020 for the completion of the farm-out agreement for the transfer of KrisEnergy’s 100.0% working interest and operatorship of the Block 115/09

exploration asset, offshore Vietnam. The transaction, announced in February 2020, is pending the approvals of the Vietnamese authorities.

Capital Expenditure

As set out in the *Unaudited First Quarter 2020 Financial Statements Announcement* dated 11 June 2020, planned capital expenditure for 2Q2020 was estimated at US\$22.5 million. In 2Q2020, the Group incurred capital expenditure, excluding non-cash items, amounted to US\$22.3 million, which was in line with planned capital expenditure.

Planned capital expenditure for the third quarter 2020 is estimated to be approximately US\$32.7 million of which 98.9% will be utilised for development activities at the Cambodia Block A project.

	For the 3 months ending 30 September 2020
	<i>(unaudited)</i>
	<i>(US\$ thousands)</i>
Producing asset ⁽¹⁾	-
Assets under development ⁽²⁾	32,329.1
Non-producing assets ⁽³⁾	375.9
Total capital expenditure	32,705.0

Notes:

- (1) Expenditure for Block 9
- (2) Expenditure for assets under development, which include Cambodia Block A and the production barge
- (3) Expenditure for exploration assets, which include the Group's assets in 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 the CBA Loan Facility.

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.

Financial Statements Announcement

Second Quarter and Six Months ended 30 June 2020

Figures for the period ended 30 June 2020 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 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	<i>(unaudited)</i>			
	<i>(US\$ thousands)</i>			
Sales of crude oil	10,337.9	38,862.9	26,010.4	60,458.2
Sales of gas	2,728.8	4,123.1	6,191.1	8,113.8
Revenue	13,066.7	42,986.0	32,201.5	68,572.0
Cost of sales:				
Operating costs	(25,746.8)	(19,464.2)	(30,004.3)	(22,956.0)
Thai petroleum royalties paid	(876.6)	(3,453.1)	(2,291.7)	(5,597.8)
Depreciation, depletion and amortisation	(14,465.0)	(23,026.2)	(33,239.5)	(44,386.5)
Gross loss	(28,021.7)	(2,957.5)	(33,334.0)	(4,368.3)
Other income	12,460.8	2,765.2	15,236.1	5,478.7
General and administrative expenses	(4,913.4)	(4,883.2)	(8,682.7)	(8,698.3)
Other operating expenses	(56,757.2)	(28,405.7)	(49,287.1)	(33,568.2)
Finance income	96.0	227.7	257.8	478.2
Finance costs	(14,716.0)	(14,403.2)	(29,382.7)	(27,099.9)
Loss before tax	(91,851.5)	(47,656.7)	(105,192.6)	(67,777.8)
Tax credit/(expense)	707.8	(980.7)	(83.4)	(1,715.2)
Loss for the period	(91,143.7)	(48,637.4)	(105,276.0)	(69,493.0)
Other comprehensive loss				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Exchange differences on translation of foreign operations	(42.2)	(42.7)	(115.2)	(13.6)
Total comprehensive loss for the period	(91,185.9)	(48,680.1)	(105,391.2)	(69,506.6)
Loss per share attributable to owners of the Company (cents per share)				
Basic	(6.1)	(3.2)	(7.0)	(4.6)
Diluted	(6.1)	(3.2)	(7.0)	(4.6)

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 30 June 2020 <i>(unaudited)</i>	As at 31 December 2019 <i>(audited)</i>	As at 30 June 2020 <i>(unaudited)</i>	As at 31 December 2019 <i>(audited)</i>
	<i>(US\$ thousands)</i>			
ASSETS				
Non-current assets				
Exploration and evaluation assets	246,589.5	268,405.2	-	-
Oil and gas properties	86,282.5	116,639.0	-	-
Right-of-use assets	818.4	25,110.5	-	-
Other property, plant and equipment	33,901.9	29,853.0	-	-
Intangible assets	7,144.6	8,444.9	-	-
Investment in subsidiaries	-	-	10,131.9	10,119.7
Other receivables	4,040.6	4,035.6	113,735.6	115,915.8
	378,777.5	452,488.2	123,867.5	126,035.5
Current assets				
Inventories	6,493.6	16,249.6	-	-
Trade and other receivables	27,967.7	45,857.0	0.4	2.7
Prepayments	6,503.7	7,900.2	105.8	41.7
Cash and bank balances	54,428.8	51,361.1	8.4	21.2
	95,393.8	121,367.9	114.6	65.6
Total Assets	474,171.3	573,856.1	123,982.1	126,101.1
EQUITY AND LIABILITIES				
Equity				
Share capital	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	30,765.5	30,880.7	41,507.5	41,507.5
Accumulated losses	(1,014,234.6)	(908,958.6)	(1,018,538.9)	(1,010,788.9)
Total Capital Deficiency	(251,288.3)	(145,897.1)	(244,850.6)	(237,100.6)
Non-current liabilities				
Employee benefit liability	773.2	490.6	-	-
Lease liabilities	305.0	550.8	-	-
Derivative liabilities	462.3	2,324.5	462.3	2,324.5
Deferred tax liabilities	26,204.9	27,358.6	-	-
Loans and borrowings	19,603.0	-	-	-
Provisions	33,653.4	24,753.7	-	-
Accrued operating expenses	15,539.0	11,239.8	-	-
Other payables	-	-	28,167.8	28,149.5
	96,540.8	66,718.0	28,630.1	30,474.0
Current liabilities				
Trade and other payables	101,338.7	86,775.4	25,034.1	17,286.4
Accrued operating expenses	40,188.1	35,281.4	6,820.2	4,764.2

Lease liabilities	561.1	25,573.0	-	-
Loans and borrowings	485,624.7	503,053.5	308,348.3	310,677.1
Withholding tax payable	189.3	401.0	-	-
Tax payable	1,016.9	1,950.9	-	-
	628,918.8	653,035.2	340,202.6	332,727.7
Total Liabilities	725,459.6	719,753.2	368,832.7	363,201.7
Total Equity and Liabilities	474,171.3	573,856.1	123,982.1	126,101.1

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2020		As at 31 December 2019	
Secured ⁽¹⁾	Unsecured ⁽²⁾	Secured	Unsecured
(US\$ thousands)			
250,154.0	235,470.7	265,356.2	237,697.3

Amount repayable after one year

As at 30 June 2020		As at 31 December 2019	
Secured ⁽³⁾	Unsecured	Secured	Unsecured
(US\$ thousands)			
19,603.0	-	-	-

Notes:

- (1) Aggregate of the 2024 ZCNs and RCF. The RCF will mature on 31 December 2020.
- (2) Aggregate of the 2022 Notes, 2023 Notes and unsecured term loans.
- (3) Relates to CBA Loan Facility.

Details of any collateral

The RCF has a comprehensive first ranking security package over the assets of the Group. On 29 March 2018, the RCF maturity was extended by two years to 30 June 2020. Several bridge upsizes were provided by DBS between 2018 to 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. On 30 June 2020, the RCF maturity was extended by six months to 31 December 2020.

The 2024 ZCNs, issued under the terms of the Preferential Offering, have a junior ranking security interest over the assets secured under the RCF, as well as a first ranking security interest over the shares and certain accounts of SJ Production Barge Ltd. (a wholly-owned subsidiary of the Company).

For further information on the RCF security, see the offering circular for the Preferential Offering dated 6 January 2017, the final information memorandum in relation to the 2022 Notes and 2023 Notes dated 11 January 2017 and the announcement entitled *Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)* dated 14 August 2019.

The CBA Loan Facility has a comprehensive first ranking or second ranking (if already secured under the RCF) security package over the assets of KrisEnergy (Apsara) Company Ltd,

KrisEnergy (Cambodia) Ltd and their holding companies, as well as a statutory mortgage over the production barge *Ingenium II* by SJ Production Barge Ltd (subject only to the first ranking statutory mortgage in favour of Keppel Shipyard Limited), first ranking security over the lease in respect of the production barge, and first ranking security in respect of any right to receive production barge revenues.

For further information on the CBA Loan Facility security, see announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.

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 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	<i>(unaudited)</i>			
	<i>(US\$ thousands)</i>			
Operating activities:				
Loss before tax	(91,851.5)	(47,656.7)	(105,192.6)	(67,777.8)
Adjustments for:				
Depreciation, depletion and amortisation	6,196.3	12,973.6	14,918.1	24,391.6
Depreciation of property, plant and equipment	(88.3)	18.6	37.8	26.5
Depreciation of right-of-use assets	8,396.5	10,186.9	18,582.8	20,263.0
Decommissioning provisions	7,662.0	-	7,662.0	-
Employee defined benefits	289.6	37.3	282.6	74.8
Equity-settled transactions with employees	-	58.7	-	118.6
Gain on early termination of lease	(359.5)	-	(359.5)	-
Gain on disposal of exploration and evaluation assets	(9,462.0)	-	(9,462.0)	-
Gain on disposal of property, plant and equipment	(1.0)	-	(1.0)	-
Impairment loss on goodwill	1,300.3	-	1,300.3	-
Impairment loss on exploration and evaluation assets	35,677.1	34,252.5	35,677.1	34,252.5
Impairment loss on oil and gas properties	17,064.6	-	17,064.6	-
Net fair value loss/(gain) on financial instruments	442.1	(310.1)	(1,805.4)	204.6
Unrealised foreign exchange (gain)/loss on financial instruments	(4,982.9)	(5,034.7)	(11,847.3)	(176.7)
Finance cost	9,166.1	8,311.7	17,988.2	14,888.5
Unwinding of discount on bonds	4,689.2	4,473.4	9,461.7	8,781.7
Unwinding of discount on decommissioning provisions	618.8	555.2	1,237.7	1,110.3
Unwinding of discount on lease liability	241.9	1,062.9	695.1	2,319.4
Interest income	(96.0)	(227.7)	(257.8)	(478.2)
Operating cash flows before changes in working capital	(15,096.7)	18,701.6	(4,017.6)	37,998.8
Inventories	15,342.7	9,613.2	9,756.0	3,895.3
Trade and other receivables	20,456.5	(6,865.8)	18,782.1	(8,811.4)

	The Group			
	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	<i>(unaudited)</i>			
	<i>(US\$ thousands)</i>			
Trade and other payables	(14,434.6)	(19,195.3)	(9,653.8)	(17,204.8)
Cash flows generated from operations	6,267.9	2,253.7	14,866.7	15,877.9
Interest received	96.0	227.7	257.8	478.2
Interest paid	(1,462.6)	(4,908.7)	(3,024.3)	(9,014.2)
Taxes paid	(2,042.6)	(2,270.5)	(2,042.6)	(2,270.5)
Net cash from/(used in) operating activities	2,858.7	(4,697.8)	10,057.6	5,071.4
Investing activities:				
Addition to exploration and evaluation assets	(8,408.8)	(2,034.1)	(17,517.5)	(9,476.7)
Addition to oil and gas properties	(729.3)	(1,780.5)	(1,626.2)	(15,169.4)
Purchase of property, plant and equipment	106.6	(2.0)	(7.7)	(113.9)
Proceeds from disposal of subsidiary	-	4,190.2	-	4,190.2
Proceeds from disposal of property, plant and equipment	1.0	-	1.0	-
Proceeds from disposal of exploration and evaluation assets	13,525.0	-	13,525.0	-
Expenditure on assets refurbishment	(189.1)	(1,589.3)	(331.8)	(1,663.9)
Net cash from/(used in) investing activities	4,305.4	(1,215.7)	(5,957.2)	(22,233.7)
Financing activities:				
Payment of bond interest	-	(1,958.1)	-	(5,035.0)
Proceeds from loan facility	19,603.0	-	19,603.0	-
Proceeds from bank borrowings	6,200.0	29,086.5	10,475.0	29,086.5
Repayment of bank borrowings	(25,575.0)	(20,000.0)	(25,575.0)	(20,000.0)
Lease payments	(130.4)	(5,062.0)	(4,462.4)	(12,781.2)
Financial restructuring expense	(599.1)	-	(958.9)	-
Decrease in cash collateralised	-	2,000.0	-	2,000.0
Net cash (used in)/ from financing activities	(501.5)	4,066.4	(918.3)	(6,729.7)
Net increase/(decrease) in cash and cash equivalents	6,662.6	(1,847.1)	3,182.1	(23,892.0)
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(41.7)	(41.1)	(114.4)	(12.4)
Cash and cash equivalents at beginning of the period	41,537.9	47,320.2	45,091.1	69,336.4
Cash and cash equivalents at end of the period	48,158.8	45,432.0	48,158.8	45,432.0
Add: restricted cash	6,270.0	6,270.0	6,270.0	6,270.0
Cash and bank balances at end of the period	54,428.8	51,702.0	52,428.8	51,702.0

As at 30 June 2020, total cash and cash equivalents were US\$48.2 million compared with US\$45.4 million as at 30 June 2019, and unused sources of liquidity including undrawn amounts of the RCF as at 30 June 2020 amounted to US\$32.3 million.

Net Cash from/used in Operating Activities

Net cash from operating activities was US\$2.9 million in 2Q2020 versus net cash used in operating activities of US\$4.7 million in 2Q2019 as a result of movements in working capital, including proceeds from the final lifting of Wassana crude oil prior to suspension of the field and termination of the FSO bareboat charter.

Net Cash from/used in Investing Activities

Net cash from investing activities amounted to US\$4.3 million in 2Q2020 versus net cash used in investing activities of US\$1.2 million in 2Q2019. Material capital expenditure in 2Q2020 included (i) development activities in Cambodia Block A of US\$8.0 million; and (ii) ongoing ordinary course of business expenditure in B8/32 of US\$0.5 million. In 2Q2020, the Group received the proceeds from disposal of the Andaman II PSC in Indonesia of US\$13.5 million.

Net Cash used in/from Financing Activities

Net cash used in financing activities amounted to US\$0.5 million in 2Q2020 versus net cash from financing activities of US\$4.1 million in 2Q2019. In 2Q2020, the Group received proceeds from CBA Loan Facility of US\$19.6 million and made a net repayment of the RCF of US\$19.4 million. Financial restructuring expenses paid in 2Q2020 amounted to US\$0.6 million.

Borrowings

As at 30 June 2020, the total amount drawn on the RCF was US\$177.3 million. Unused sources of liquidity (comprising cash and cash equivalents and undrawn amounts from the RCF) amounted to US\$32.3 million. Gearing as at 30 June 2020 was 199.0%.

The RCF will mature on 31 December 2020. As such, the amount drawn as at 30 June 2020 of US\$177.3 million has been classified as current liability.

Pursuant to the Moratorium Application which has resulted in events of default, the 2022 Notes, 2023 Notes, 2024 ZCNs and unsecured term loans are repayable on demand. Hence, the carrying amount of the debt as at 30 June 2020 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 2020	1,878.6	730,302.2	(908,958.6)	(1,945.7)	1,207.2	31,619.2	(145,897.1)
Loss net of tax	-	-	(14,132.3)	-	-	-	(14,132.3)
<u>Other comprehensive income:</u>							

Exchange differences on translation of foreign operations	-	-	-	(73.0)	-	-	(73.0)
Total comprehensive loss for the period	-	-	(14,143.3)	(73.0)	-	-	(14,205.3)
At 31 March 2020	1,878.6	730,302.2	(923,090.9)	(2,018.7)	1,207.2	31,619.2	(160,102.4)

Loss net of tax	-	-	(91,143.7)	-	-	-	(91,143.7)
<u>Other comprehensive loss:</u>							
Exchange differences on translation of foreign operations	-	-	-	(42.2)	-	-	(42.2)
Total comprehensive loss for the period	-	-	(91,143.7)	(42.2)	-	-	(91,185.9)
At 30 June 2020	1,878.6	730,302.2	(1,014,234.6)	(2,060.9)	1,207.2	31,619.2	(251,288.3)

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)	(1,923.5)	1,012.1	31,619.2	22,738.6
Loss net of tax	-	-	(20,855.4)	-	-	-	(20,855.4)
<u>Other comprehensive income:</u>							
Exchange differences on translation of foreign operations	-	-	-	29.0	-	-	29.0
Total comprehensive loss for the period	-	-	(20,855.4)	29.0	-	-	(20,826.4)
Equity-settled transactions with employees	-	-	-	-	59.9	-	59.9
At 31 March 2019	1,878.6	730,302.2	(761,005.4)	(1,894.5)	1,072.0	31,619.2	1,972.1
Loss net of tax	-	-	(48,637.4)	-	-	-	(48,637.4)
<u>Other comprehensive loss:</u>							
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	(809,642.8)	(1,937.2)	1,130.7	31,619.2	(46,649.3)

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	General Reserve	Total Equity
	(US\$ thousands)					
At 1 January 2020	1,878.6	730,302.2	(1,010,788.9)	1,207.2	40,300.3	(237,100.6)
Loss net of tax	-	-	(1,471.7)	-	-	(1,471.7)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,471.7)	-	-	(1,471.7)
At 31 March 2020	1,878.6	730,302.2	(1,012,260.6)	1,207.2	40,300.3	(238,572.3)
Loss net of tax	-	-	(6,278.3)	-	-	(6,278.3)

Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(6,278.3)	-	-	(6,278.3)
At 30 June 2020	1,878.6	730,302.2	(1,018,538.9)	1,207.2	40,300.3	(244,850.6)

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

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 30 June 2020 (30 June 2019: 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 30 June 2020, 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 30 June 2020, 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 30 June 2020, 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 30 June 2020		As at 31 December 2019	
	<i>(unaudited)</i>			
	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 30 June 2020		As at 31 December 2019	
	<i>(unaudited)</i>			
	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 30 June 2020 (30 June 2019: 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 30 June 2020 (30 June 2019: 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 2019, 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 2020. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

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 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
Loss per share attributable to owners of the Company:				
(i) Based on a weighted average number of shares (cents per share)	(6.1)	(3.2)	(7.0)	(4.6)
- 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)	(6.1)	(3.2)	(7.0)	(4.6)
- Adjusted weighted average number of shares	1,502,849,065	1,508,035,913	1,502,849,065	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 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
	<i>(Unaudited)</i> <i>(US\$)</i>			
Net asset value per ordinary share ⁽¹⁾	(0.17)	(0.10)	(0.16)	(0.16)
Net tangible asset per ordinary share ⁽¹⁾	(0.17)	(0.10)	(0.16)	(0.16)

Note:

(1) Based on share capital of 1,502,849,065 ordinary shares as at 30 June 2020 and 31 December 2019

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) seasonal 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 six months ended 30 June 2020.

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	<i>(unaudited)</i> <i>(US\$ thousands)</i>			
Sales of crude oil	10,337.9	38,862.9	26,010.4	60,458.2
Sales of gas	2,728.8	4,123.1	6,191.1	8,113.8
Revenue	13,066.7	42,986.0	32,201.5	68,572.0
Cost of sales:				
Operating costs	(25,746.8)	(19,464.2)	(30,004.3)	(22,956.0)
Thai petroleum royalties paid	(876.6)	(3,453.1)	(2,291.7)	(5,597.8)
Depreciation, depletion and amortisation	(14,465.0)	(23,026.2)	(33,239.5)	(44,386.5)
Gross loss	(28,021.7)	(2,957.5)	(33,334.0)	(4,368.3)
Other income	12,460.8	2,765.2	15,236.1	5,478.7
General and administrative expenses	(4,913.4)	(4,883.2)	(8,682.7)	(8,698.3)
Other operating expenses	(56,757.2)	(28,405.7)	(49,287.1)	(33,568.2)
Finance income	96.0	227.7	257.8	478.2
Finance costs	(14,716.0)	(14,403.2)	(29,382.7)	(27,099.9)

Loss before tax	(91,851.5)	(47,656.7)	(105,192.6)	(67,777.8)
Tax credit/(expense)	707.8	(980.7)	(83.4)	(1,715.2)
Loss for the period	(91,143.7)	(48,637.4)	(105,276.0)	(69,493.0)

Revenue

Working interest production in 2Q2020 averaged 6,603 boepd, a 38.1% decrease from the same period last year (2Q2019: 10,669 boepd) due to lower production from Wassana field in G10/48 as production ceased in early June 2020 and lower production in B8/32².

Revenue for 2Q2020 decreased 69.6% to US\$13.1 million (2Q2019: US\$43.0 million) as a result of (i) 61.0% drop in average realised selling prices for oil and liquids; (ii) 11.2% decrease in average realised selling prices for gas in Thailand; and (iii) lower working interest production volume for the period.

The average realised oil and liquids sales price in 2Q2020 was US\$25.05/bbl (2Q2019: US\$64.30/bbl). The average realised gas price achieved from B8/32 in 2Q2020 decreased to US\$4.38/mcf (2Q2019: US\$4.93/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.

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
Production volumes				
Oil and liquids (bopd)	2,605	5,324	3,393	4,986
Gas (mmcf)	24.0	32.1	28.0	32.5
Total (boepd)	6,603	10,669	8,066	10,396
Average sales price				
Oil and liquids (US\$/bbl)	25.05	64.30	41.57	61.47
Gas – B8/32 (US\$/mcf)	4.38	4.93	4.60	5.00
Gas – Block 9 (US\$/mcf)	2.32	2.32	2.32	2.32

Cost of Sales

Following the adoption of IFRS 16 effective 1 January 2019, operating costs amounted to US\$25.7 million in 2Q2020 (2Q2019: US\$19.5 million), as the bareboat charters for the Wassana field – namely the MOPU and FSO – are accounted for as DD&A. However, adjusted operating cost per EBITDAX computation in 2Q2020 was US\$33.3 million (2Q2019: US\$29.3 million). The increase was primarily a result of the decline in production from the Wassana field as operations were suspended in early June 2020. As a result, operating cost attributable to the crude oil barrels lifted is higher as operating expenditure is largely fixed. 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. Hence, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue earned.

² As at 1 October 2019, gas sales from B8/32 were permanently reduced. The daily contracted sales quantity / maximum contracted quantity was reduced from 65/75 mmcf to 45/51.75 mmcf

Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 2Q2020, the average lifting cost was US\$23.32/boe compared with US\$20.14/boe for 2Q2019. The 15.8% increase was attributed to lower production volumes related to the Wassana and B8/32 assets.

DD&A charges decreased 37.2% in 2Q2020 to US\$14.5 million (2Q2019: US\$23.0 million) in line with lower production and lower asset carrying value due to impairment charges recognised by the Group in 2019.

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
Average lifting cost⁽¹⁾				
Oil, liquids and gas (US\$/boe)	23.32	20.14	22.88	21.04
Net operating expenditure (US\$'000)	14,013.7	19,551.8	33,589.6	39,586.5
Total production (boe)	600,862	970,845	1,468,096	1,881,679

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\$12.5 million in 2Q2020 compared with US\$2.8 million in 2Q2019. The variance was mainly due to the gain on the disposal of Andaman II PSC.

General and administrative expenses

General and administrative expenses were US\$4.9 million, the slight increase was due to higher joint-operations general and administrative expenses.

Other operating expenses

- Other operating expenses amounted to US\$56.8 million in 2Q2020 (2Q2019: US\$28.4 million). Owing to the prevailing depressed global outlook for business activity and oil prices, the Company has undertaken a reassessment of the commerciality of certain assets resulting in (a) non-cash impairment charges of US\$54.0 million recognised in 2Q2020 comprising (i) charges of US\$33.5 million relating to impairment of producing and near-term producing assets due to lower forecasted benchmark oil prices; (ii) impairment of G10/48 of US\$13.7 million following suspension of production; and (iii) provision in accordance with IFRS of US\$6.8 million for the SS-11 production sharing contract ("PSC") related to the approaching expiry of the exploration concession. In 2Q2019, the Group made provision for the Udan Emas PSC of US\$34.3 million. For more information regarding the Udan Emas PSC, see paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.

Finance income

Finance income halved to US\$0.1 million in 2Q2020 (2Q2019: US\$0.2 million) as a result of lower average bank balances for the period.

Finance costs

Finance costs edged higher by 2.2% to US\$14.7 million in 2Q2020 (2Q2019: US\$14.4 million). The increase was mainly due to (i) higher loan interest on the RCF and CBA Loan Facility; and (ii) higher default interest expenses on the 2022 Notes, 2023 Notes and 2024 ZCNs,

partially offset by (i) lower non-cash accretion of bond discount, lease liability and decommissioning provisions; and (ii) lower financial restructuring fees.

Loss before tax

The loss before tax in 2Q2020 of US\$91.9 million (2Q2019: US\$47.7 million) was attributable to non-cash impairment charges of US\$54.0 million, DD&A charges of US\$14.5 million and finance costs of US\$14.7 million for the period.

Tax credit/expense

Tax credit amounted to US\$0.7 million in 2Q2020 compared with tax expense of US\$1.0 million in 2Q2019 due to an adjustment for the over-provision of tax.

Loss for the period

The net loss for the period was US\$91.1 million in 2Q2020 (2Q2019: US\$48.6 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

In spite of a recovery in benchmark oil prices to the US\$40.00/bbl to US\$45.00/bbl, fuel demand is yet to return to pre-COVID-19 levels and there remains significant near-term downside risk in oil markets as economies reopen leading to a potential resurgence of the coronavirus, increasing supply from major producing countries and geopolitical factors. As such, the Company believes it is prudent to account for impairments related to its assets given the continuing uncertainty.

The Group's key asset for near-term production growth, Cambodia Block A, is scheduled to commence oil production in 2020 from the initial Mini Phase 1A, and to reach a peak rate at 7,500 barrels of oil per day. Mini Phase 1A is designed to incur minimum costs to first oil and will test reservoir performance and evaluate the long-term potential of the Apsara field. Cambodia Block A remains an asset that is expected to represent a significant component of the Group's value in the long term.

The Company will also continue to review the commerciality of the Wassana oil field in G10/48, which remains suspended until further notice.

Recent Developments

- On 6 July 2020, Mr. Chris Ong Leng Yeow stepped down as Non-Executive Director of the Board of KrisEnergy. Subsequently, the following changes were enacted to Board Committees:
 - Mr. Tan Ek Kia, Independent Non-Executive Chairman of KrisEnergy, was appointed as a member of the Remuneration Committee; and
 - Mr. Kelvin Tang, Chief Executive Officer and Executive Director, was appointed as a member of the Nominating Committee.See announcement entitled *KrisEnergy announces changes to Board of Directors and Board Committees* dated 2 July 2020.
- On 8 July 2020, the Company announced that in relation to the CBA Loan Facility, Kepinvest had entered into an amendment agreement for the extension of the completion date for the Company's financial restructuring (which is a mandatory prepayment event under the CBA Loan Facility) from 15 July 2020 to 30 September 2020. See announcement entitled *Amendment of Loan Agreement with Kepinvest Singapore Pte. Ltd.* dated 8 July 2020.
- On 19 July 2020, the Udan Emas PSC expired. The Company is awaiting formal notification from the Indonesian authorities for the expiry of the exploration block.
- On 4 August 2020, the Company sought the approval of the Singapore Exchange Securities Trading Limited for an extension of time of up to 2.5 months until 27 October 2020 to submit a trading resumption proposal for its securities while it implements its financial restructuring. The application remains pending. See announcement entitled *Updates on restructuring – Application for extension of time to comply with Rule 1304(1) of the Listing Manual* dated 4 August 2020.
- On 11 August 2020, the Company announced the non-payment of certain obligations due to the financial condition of the Group:
 - 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 approximately US\$4,381,403.38 in aggregate which will be due on 21 August 2020; and
 - interest payable under the S\$200.0 million 4.0 per cent. senior unsecured notes due 2023 amounting to S\$4,119,200, which is due on 22 August 2020. See announcement entitled *Updates on restructuring process – Updates on further non-payment of principal and interest* dated 11 August 2020.
- On 31 July 2020, the Company accepted Palang Sophon Limited's ("**PSL**") request to withdraw from the G10/48 concession. Upon the receipt of the necessary government approvals and PSL making the necessary payments to fulfil its decommissioning obligations, PSL will fully withdraw and assign its 11.0% working interest in the G10/48 concession to KrisEnergy G10 (Thailand) Limited (an indirect wholly-owned subsidiary of the Company), pursuant to which the Group will hold 100.0% working interest in the G10/48 concession.

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 six months ended 30 June 2020.

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 general mandate for the financial period ending 31 December 2020.

14. 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 the six months ended 30 June 2020 to be false or misleading in any material aspect.

15. 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, 13 August 2020

