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- (1) **ENTRY INTO A LOAN AGREEMENT AS AN INTERESTED PERSON TRANSACTION**
 - (2) **ISSUANCE OF A LETTER TO DBS BANK LTD IN RELATION TO THE REVOLVING CREDIT FACILITY**
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1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of KrisEnergy Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to announce that KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd (the “**Borrowers**”), both wholly-owned indirect subsidiaries of the Group, have on 30 April 2020 entered into a credit facility agreement with Kepinvest Singapore Pte. Ltd. as lender (the “**Lender**”) (the “**Loan Agreement**”). Pursuant to the Loan Agreement, the Lender has agreed to grant a project financing loan in the aggregate principal amount of up to US\$87 million (the “**Loan Facility**”) to the Borrowers, subject to the terms and conditions set out in the Loan Agreement. A summary of the principal terms of the Loan Agreement is set out in Section 2 of this announcement.

The Loan Facility is intended to be utilised for, among others, the funding of 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 with approximately 3,083 sq. km of gross acreage in which the Borrowers have an aggregate working interest of 95% (“**CBA**”).

As announced on 9 December 2019, the Group is currently developing the minimum facilities wellhead platform (“**Mini-Platform**”) for the Apsara oil field in CBA. Due to the unproven production performance of the Khmer Basin, development of the Apsara oil field will be in several phases to mitigate risk and provide time for the collection and analysis of critical data to be applied in future phases. If further phases of CBA development are pursued, peak production is expected between 2024 and 2026. This development phase (“**Mini Phase 1A**”) is designed to incur minimum costs to first oil and comprises the Mini-Platform and five initial development wells connected to the Ingenium II production barge for oil, gas and water processing. At least two of the five wells will target fault blocks with previously successful exploration wells. Mini Phase 1A is scheduled to commence oil production in 2020 and to reach a peak production rate of 7,500 barrels of oil per day. The Company estimates that approximately US\$87 million will be required to fund the development of Mini Phase 1A at CBA until first oil is produced which is currently targeted for 2020.

The Board would also like to announce that the Company and its subsidiary, KrisEnergy (Asia) Ltd, have on 30 April 2020 issued a letter (“**Letter**”) to DBS Bank Ltd (“**DBS**”) in relation to the revolving credit facility agreement originally dated 24 March 2014 entered into between, amongst others, KrisEnergy (Asia) Ltd, the Company and DBS, as amended and/or restated on 24 March 2016 and 13 April 2017 and from time to time thereafter and as increased to US\$148,270,000 on 11 July 2016 and subsequently increased to US\$200,000,000 on 4 April 2019 (the “**RCF Agreement**” and the revolving credit facility, the “**RCF**”) to provide assurance in respect of the application of certain cash proceeds received and/or to be received by the Group. The Company understands that there is a bilateral contract between Keppel Corporation Limited (“**KCL**”) and DBS, pursuant to which the key economic risk in the RCF Agreement is held by KCL. Further details of the Letter are set out in Section 7 of this announcement.



2. PRINCIPAL TERMS OF THE LOAN AGREEMENT

Lender	Kepinvest Singapore Pte. Ltd.
Borrowers	KrisEnergy (Apsara) Company Ltd KrisEnergy (Cambodia) Ltd (“ KEC ”)
Guarantors	KrisEnergy (Apsara) Ltd KrisEnergy (Cambodia) Ltd KrisEnergy Ltd. KrisEnergy Holding Company Ltd KrisEnergy (Asia) Ltd KrisEnergy (Cambodia) Holding Ltd KrisEnergy (Apsara) Holding Limited KrisEnergy (Apsara) Company Ltd (the Borrowers and the Guarantors, collectively, the “ Obligors ”)
Agent and Security Agent	Madison Pacific Trust Limited
Obligors’ Agent	KEC
Principal Amount	Up to US\$87 million in aggregate comprising: (i) up to US\$30 million (“ Facility A ”); and (ii) up to US\$57 million (“ Facility B ”).
Purpose	For (i) the development of CBA in accordance with the pre-first oil cost schedule or relevant approved annual budget; and (ii) the payment of (a) agency fees and fees of lenders and their advisors and (b) costs and expenses incurred by the Borrowers and their advisors in connection with the finance documents, to the extent that the Borrowers’ and their advisors’ costs and expenses are expressly included in the pre-first oil cost schedule or relevant approved annual budget.
Maturity Date	The date falling 48 months from the date of the Loan Agreement (or if that day is not a business day, the immediately preceding business day).
Drawdown	A Borrower may not deliver a utilisation request if as a result of the proposed utilisation: (i) five or more Facility A Loans (being a loan made or to be made under Facility A or the principal amount outstanding



	<p>for the time being of that loan (which shall be increased by any PIK Interest (as defined below) capitalised)) would be outstanding; or</p> <p>(ii) five or more Facility B Loans (being a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan (which shall be increased by any PIK Interest (as defined below) capitalised)) would be outstanding.</p> <p>The conditions precedent to each utilisation include:</p> <p>(i) the delivery by the Borrowers of a schedule of items to be funded by the utilisation;</p> <p>(ii) copies of invoices and other evidence satisfactory to the Monitoring Accountant in relation to items to be funded; and</p> <p>(iii) confirmation by the Monitoring Accountant that it is satisfied as to the documents and evidence submitted.</p> <p>Each utilisation of Facility B is subject to the Lender’s approval prior to Facility B converting to a committed facility. Upon Facility B converting to a committed facility, Lender approval will no longer be required but the conditions precedent to utilisation (as set out above) will continue to apply.</p>
<p>Interest</p>	<p>The rate of interest on each Facility A Loan or Facility B Loan (each, a “Loan”) for each interest period is:</p> <p>(i) in the case of any payment-in-kind interest (“PIK Interest”) payable or accruable on each Loan, 15% per annum; and</p> <p>(ii) in the case of any cash interest (“Cash Interest”) payable on each Loan, 15% per annum.</p> <p>PIK Interest will accrue on each Loan until and including the date on which the Borrowers make their first sale or disposal of petroleum produced in commercial quantities from CBA (“First Oil Sale Proceeds Date”). Subject to the Interest Cap (as defined below), PIK Interest accrued in each interest period on each Loan outstanding at such time will be capitalised at the end of each interest period and added to the outstanding principal amount of that Loan, and such capitalised PIK Interest will subsequently be treated as part of the principal amount of that Loan.</p> <p>Cash Interest will accrue on each Loan at all times after the First Oil Sale Proceeds Date.</p> <p><u>Interest Cap</u></p> <p>Until the date on which all shareholder approvals for the Loan Agreement and the transactions contemplated by the Loan Agreement have been obtained and the Agent (as defined in the</p>



	<p>Loan Agreement) has been notified of such approval (“Shareholder Approval Date”), the maximum amount (in aggregate) of PIK Interest and/or Cash Interest which may accrue on each Loan, together with all other amounts (excluding principal (but not capitalised interests) repayments) for the Lender’s account under or in connection with the Loan Agreement (“Other Payments”), shall be US\$714,679 (“Interest Cap”). The Interest Cap shall cease to apply on and from the earlier of:</p> <ul style="list-style-type: none"> (i) the Shareholder Approval Date; (ii) the date on which the Company ceases to be a listed company on the SGX; and (iii) in respect of any Loan made to a particular Borrower, the date on which that Borrower ceases to be a subsidiary of the Company, <p>or otherwise on and from the date that any payment or receipt of PIK Interest or Cash Interest or Other Payments would not breach any applicable laws or regulations applicable to either the Lender or the Borrowers (such date being the “Interest Trigger Date”).</p> <p>To the extent that any Loans ceased to accrue PIK Interest and/or Cash Interest for any period prior to the Interest Trigger Date as a result of the Interest Cap but would otherwise have earned such PIK Interest and/or Cash Interest during such time (“Unaccrued Interest”), then on and from the Interest Trigger Date, such Loans shall be deemed to have Unaccrued Interest for such periods as if the Interest Cap did not apply, which shall:</p> <ul style="list-style-type: none"> (i) in the case of PIK Interest, be deemed to have capitalised at the end of each interest period ending prior to the Interest Trigger Date and thereafter shall capitalise all amounts at the end of the interest period ending immediately after the Interest Trigger Date; and (ii) in the case of Cash Interest, be payable at the end of the interest period ending immediately after the Interest Trigger Date.
Default Interest	2% per annum higher than the rate which would have been payable if the unpaid sum had, during the period of non-payment, constituted a Loan.
Monitoring Accountant	Borrelli Walsh Limited has been appointed as Monitoring Accountant to perform a cash monitoring role.
Repayment	The Borrowers shall repay the aggregate Facility A Loans and Facility B Loans in full on the Maturity Date.
Security	(i) Share pledge over 100% of the shares in the capital of each of the Borrowers;



	<ul style="list-style-type: none"> (ii) First ranking share charge over the shares in the capital of KrisEnergy (Apsara) Holding Ltd. (“KEAH”) held by KrisEnergy (Asia) Ltd; (iii) Second ranking share charges over the shares in the capital of KrisEnergy (Apsara) Ltd (“KEAL”) and KrisEnergy (Cambodia) Holding Ltd (“KECH”) held by KrisEnergy (Asia) Ltd; (iv) Security over all the assets of the Borrowers, KEAH, KEAL and KECH; (v) Account charge on the CBA Operating Account (as defined below) and such relevant other bank accounts as set out in the Cash and Accounts Management Agreement (as defined below) of each of the Borrowers; (vi) Assignment by each Borrower, each Guarantor and other entities over certain shareholder and intercompany loans; and (vii) Statutory mortgage over the barge “Ingenium II” by SJ Production Barge Ltd (subject only to the first ranking statutory mortgage in favour of Keppel Shipyard Limited), which barge is being used in the development of the CBA, first ranking security over the lease in respect of the barge, and first ranking security in respect of any right to receive barge revenues (collectively, “Barge Security”).
<p>Mandatory Prepayment</p>	<p>The commitments of the Lender under the Loan Agreement shall be cancelled and all outstanding Loans and amounts will become immediately due and payable if:</p> <ul style="list-style-type: none"> (i) it is or will become unlawful in any applicable jurisdiction for the Lender to, among others, perform any of its obligations as contemplated by the Loan Agreement; (ii) there is a change of control where: <ul style="list-style-type: none"> a) there is any sale or disposal of all or substantially all of the assets of any Borrower or Guarantor (save with the written consent of the Security Agent); b) the Company does not or ceases (directly or indirectly) to (1) have the power to cast or control the casting of at least 100% of the votes that might be cast at a general meeting of each Borrower; or (2) hold beneficially at least 100% of the issued share capital of each Borrower (other than as a direct result of the enforcement of security in relation to the RCF Agreement); c) the Company does not or ceases (directly or indirectly) to have the power to (1) appoint or remove all or the majority of the directors or other equivalent officers of each Borrower; or (2) give directions with respect to the operating and financial policies of each Borrower with which the directors and other equivalent officers of that Borrower are obliged to comply;



	<p>(iii) the Interest Trigger Date does not occur by the earlier of (a) the date on which the aggregate amount of interest accrued on the Loans and the Other Payments is equal to the Interest Cap; and (b) the Shareholder Approval Date;</p> <p>(iv) the restructuring of the financial indebtedness of the Company and KrisEnergy (Asia) Ltd (“Restructuring”) has not been completed by 15 July 2020 (or such other date to be agreed between the Lender and the Obligors’ Agent); and</p> <p>(v) the First Oil Sale Proceeds Date does not occur before 31 December 2020 (or such other date agreed to by the Agent and the Obligors’ Agent).</p> <p>Each Borrower shall, promptly upon receipt of the following proceeds, prepay Loans in amounts equal to:</p> <p>(i) the amount of consideration receivable by any Borrower (including any amount receivable in repayment of intercompany debt) for any disposal of any asset, undertaking or business (other than for a sale of hydrocarbons to the extent permitted under the Loan Agreement) made by any Borrower and after deducting (a) any reasonable expenses incurred with respect to such disposal; and (b) any tax incurred and required to be paid by the seller in connection with that disposal; and</p> <p>(ii) the amount of proceeds of any insurance claim under any insurance maintained by any Borrower except for any proceeds of an insurance claim which are, or are to be, applied to meet a third party claim, to cover operating losses in respect of which the relevant insurance claim was made, or in the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made, and after deducting any reasonable expenses in relation to that claim which is incurred by any Borrower.</p> <p>A Lender may also, at any time prior to the completion of the Restructuring, require repayment of its participation in a Facility B loan that has been advanced by the Lender.</p>
<p>Right to Match</p>	<p>If a Borrower or any other member of the Group enters into negotiations with any entity or person to incur further financial indebtedness in respect of the CBA development, under the terms of the Loan Facility, the Borrower would need to notify the Lender of the most competitive commercial terms provided by the potential financing provider and the Lender has the option to match those financing terms within 10 business days of receiving notice of those terms (or such longer period as the Lender may notify to the Obligors’ Agent). Upon the Lender matching those financing terms, the Borrowers shall (and the Borrowers shall procure that the relevant member of the Group shall), within 10 business days</p>



	<p>of receiving such terms in writing from the Lender, be obliged to accept those terms subject to the Borrower (and/or such relevant member of the Group) obtaining all necessary regulatory and corporate approvals as required by applicable law in respect of the incurrence of such financial indebtedness.</p>
<p>CBA Cash Sweep</p>	<p>Each Borrower shall ensure that all of its operating and other incomes, revenues or receipts, including all loan proceeds and capital contributions received by that Borrower and any barge revenues paid to that Borrower and any and all amounts payable to SJ Production Barge Ltd by the Borrowers (after payment of the operating costs of the barge) (other than certain excluded cash receipts) are transferred into a designated operating account ("CBA Operating Account") charged in favour of the Lender. The minimum cash balance ("Minimum Cash Balance") in the CBA Operating Account is to be the greater of (i) US\$1 million or such other amount as otherwise agreed between the Obligors' Agent and the Agent; and (ii) the aggregate cumulative cash reserve required for the next financial quarter in order for each Borrower to meet its budgeted expenditure in accordance with an agreed annual budget.</p> <p>The amounts in the CBA Operating Account may be applied towards, amongst others, each Borrower's budgeted payments required in connection with barge charter, operating costs and capital expenditure in respect of the CBA, operating expenses including interests, fees, coupons and expenses in relation to the Loan Facility and the RCF Agreement, tax and royalty payments and scheduled capital expenditure and any other payments approved by the Agent.</p> <p>Within 10 business days of a designated quarterly computation date, amounts above the Minimum Cash Balance in the CBA Operating Account ("CBA Excess Cash") are to be swept ("CBA Cash Sweep") into an excess cash account and applied in the following manner and priority:</p> <ul style="list-style-type: none"> (i) first, in or towards prepayment of the loans under the Loan Facility; and (ii) second, the remainder, to the collection account in respect of the RCF Agreement. <p>A cash and accounts management agreement documents the above mechanics in relation to the CBA Cash Sweep (the "Cash and Accounts Management Agreement").</p>



Conditions Precedent	<p><u>Conditions precedent to initial utilisation of Facility A</u></p> <ul style="list-style-type: none"> (i) board approval having been obtained by KrisEnergy Pte. Ltd. and each Obligor; and shareholder approval having been obtained by KrisEnergy Pte. Ltd. and each Obligor (other than the Company) in relation to the transactions contemplated by the finance documents; (ii) evidence in form and substance satisfactory to the Lender that the transfer of interests from KEAL to KrisEnergy (Apsara) Company Ltd as a party to each of the Block A Petroleum Agreement and the Joint Operating Agreement has been completed in accordance with the requires of those agreements; (iii) a copy of each authorisation required in connection with CBA, including, if available (a) the exploration work programme; and (b) the environment impact assessment in relation to CBA; (iv) evidence that the Cambodian Government has approved an extension to the achievement of first oil for CBA to such date and on such terms as required by the Lender; (v) the development plan and development work program in connection with the development of CBA being approved by the Cambodian Government; (vi) evidence that the Cambodian Government has provided its written consent to any Change of Control (as defined in the Block A Petroleum Agreement) of any Borrower that may occur as a result of the implementation of the Restructuring or any contingency plan in respect of the Company or its subsidiaries; (vii) if the Cambodian Government has issued a demand for payment pursuant to the relinquishment agreement in relation to CBA and the proposed utilisation date is not at least one Business Day prior to the fifth business day in Cambodia after such demand, confirmation that the Cambodian Government will not purport to terminate the relinquishment agreement as a result of the demanded payment not being received within the requested time period; (viii) a side letter to DBS Bank Ltd. in relation to the prepayment of the RCF Agreement (being the Letter); (ix) other customary conditions precedent; and (x) other evidence in relation to the items to be funded using the proceeds of the utilisation. <p>As at the date of the Loan Agreement, all the conditions precedent to initial utilisation of Facility A have been satisfied.</p>
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	<p><u>Conditions precedent to initial utilisation of Facility B</u></p> <ul style="list-style-type: none"> (i) evidence that all conditions precedent to the utilisation of Facility A were satisfied or waived by no later than 30 April 2020 (or such later date as may be agreed between the Agent and the Obligors' Agent in writing); (ii) evidence that the Barge Security has been created (or will be created immediately after the utilisation of Facility B); (iii) evidence that the Interest Trigger Date has occurred in respect of each Borrower; and (iv) other evidence in relation to the items to be funded using the proceeds of the utilisation. <p>If a utilisation request for the first utilisation under Facility A is not submitted, and all initial conditions precedent are not satisfied or waived in writing, on or prior to 5.00pm Singapore time on 30 April 2020 (or such other date agreed to by the Agent in writing) ("First Utilisation Longstop Date"), the Loan Facility will be immediately cancelled at 5.00pm (Singapore time) on the First Utilisation Longstop Date.</p>
Governing Law	The Loan Agreement is governed by the English law.

3. RATIONALE FOR THE LOAN FACILITY

The steep and prolonged downturn in oil prices between 2014 and 2017 has severely impeded the ability of the Group to raise the necessary financing as banks pared down their exposure to the oil and gas sector. This in turn affected the Group's ability to fund capital expenditures for its production and development assets, and the Group was unable to properly commit the necessary expenditure required to increase production, and therefore generate cash from these assets. Further, the lower oil price environment and resultant lack of investment in the Group's exploration and development activities eroded the potential realisable value of Group's assets, leading to impairments and writedowns in asset valuations. These circumstances have severely affected the Group's operations and financial conditions.

Despite the Group's efforts to improve its liquidity and financial position, prolonged volatility in oil prices and equity markets and weakening sentiment towards the upstream and offshore marine sectors impeded the Group's efforts to recover and operate in a manner that would be sustainable in the long run. Between 31 December 2017 and 31 December 2018, the Group's loans and borrowings increased from US\$424.6 million to US\$459.1 million and with the continual erosion of equity, gearing increased from 73.5% to 95.5%. As at 31 December 2019, the total debt recognised on the Group's balance sheet was US\$503.1 million and the Group's gearing was 140.8%.

Given the current financial position of the Group, banks and alternative credit providers (apart from Keppel (as defined below)) have generally declined to provide new credit lines. Consequently, the Group has faced difficulties in obtaining financing for CBA Mini Phase 1A.



Under the agreement with the Cambodian government for the development of CBA, the Cambodian government has imposed a deadline for first oil production to be achieved (without financial penalties) by 30 June 2020. The Cambodian government has indicated that there will be serious consequences (financial or otherwise) in relation to CBA in the event the first oil deadline is not met and timely funding is not obtained. Such consequences could include the termination of the concession rights for CBA if first oil production for CBA is not achieved by 31 December 2020.

As set out in Paragraph 1 above, CBA is currently at the initial development stage and the Company estimates that approximately US\$87 million will be required to fund the remaining development costs, including the drilling of five (5) development wells at Mini Phase 1A of CBA. Without the required funding, development of Mini Phase 1A will not be completed, and the Cambodian government would terminate the concession rights and the Group would lose the asset.

Efforts to raise financing for the development of CBA has been ongoing for the past few years. The most recent effort has been carried out with the assistance of Houlihan Lokey, the financial advisors to the Company, to seek alternative funding (other than from Keppel or its affiliates) for CBA. Since early April 2019, Houlihan Lokey had contacted over 110 potential investors, including 41 financial investors and 12 commodity traders to gauge their interest in providing funding to the Group at the corporate level or asset level, in the form of debt, equity, joint venture investment and crude prepayment financing. To date, indicative crude prepayment financing offers have been received from a number of commodity traders and strategic investors. However, the terms of such financing offers were onerous (particularly in relation to pricing and security requirements relative to the funding amounts being offered) and not possible for the Company to deliver. In addition, the amounts that were offered were also insufficient to fully fund CBA. In contrast, the terms of the Loan Facility, both in terms of quantum and interest rate, are a more realistic option than alternative funding sources that are available to the Company. Accordingly, the Loan Facility is the only credible option to preserve CBA and future value for all stakeholders.

The Board continues to be committed to pursue individual asset sales in line with the Group's risk mitigation strategy and previously stated intention to reduce future exposure to exploration capital expenditure and to focus its financial resources on optimising operations at CBA. The Board considers CBA to be a key asset operated by the Group and is expected to materially increase the Group's revenue and cash flow once oil production commences. A successful development of Mini Phase 1A will also provide important reservoir performance information in addition to cash flow and could lead to future phases of development for CBA. Accordingly, the Board considers the Loan Agreement to be in the interests of the Group as it will allow the Group to obtain financing support at the best available interest rates in order to fund the development of Mini Phase 1A. The Company expects CBA to be the highest revenue generating asset in the Group after it is developed and is a key asset for the restructuring of the Group.

4. INFORMATION ON THE LENDER

As at the Latest Practicable Date, Kepinvest Singapore Pte. Ltd. ("**Kepinvest**") is a subsidiary of KCL (KCL and/or its subsidiaries being "**Keppel**"), which is a Controlling Shareholder of the Company through its wholly-owned subsidiary, Keppel Oil & Gas Pte Ltd ("**KOG**"). Kepinvest is therefore regarded as an Interested Person under Chapter 9 of the Listing Manual. Accordingly, the Loan Facility by Kepinvest will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual.



5. CHAPTER 9 OF THE LISTING MANUAL

Based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2018, the Group's latest audited net tangible assets (the "**Latest Audited NTA**") is approximately US\$14,293,585.

Assuming that (i) the Loan Facility is fully drawn down on the date of the Loan Agreement; (ii) the First Oil Sale Proceeds Date is 31 December 2020; and (iii) no repayment of principal is able to be made such that the Loan Facility is only repaid on the Maturity Date, the value of the Loan Facility (being the maximum interest payable on the Loan Facility) amounts to approximately US\$54.0 million, which represents approximately 378% of the Group's Latest Audited NTA. Accordingly, as the value of the Loan Facility is more than 5% of the Group's Latest Audited NTA, the Company is required to seek Shareholders' approval for the Loan Facility under Rule 906(1)(a) of the Listing Manual.

However, as detailed in Section 2 of this announcement, the Loan Facility comprises two (2) tranches, namely, Facility A and Facility B, and unless otherwise agreed by the Lender, Facility A shall be utilised before Facility B. Assuming that (i) Facility A is drawn down as required to meet CBA development costs after the date of the Loan Agreement; (ii) Facility B is utilised progressively later; and (iii) the Loan Facility is prepaid throughout its term from CBA Excess Cash that is swept as part of the CBA Excess Cashesweep, the actual interest payable on the Loan Facility will be lower than the maximum interest of US\$54.0 million as set out above. Higher than expected oil prices or oil production from CBA will also result in earlier repayment of the Loan Facility and consequently lower interest payable on the Loan Facility and vice versa.

It should be noted that under the terms of the Loan Agreement, the maximum amount (in aggregate) of interest which may accrue on each Loan shall be subject to the Interest Cap of US\$714,679 until the Interest Trigger Date. Accordingly, based on the Interest Cap, the initial value of the Loan Facility (being the Interest Cap amount) represents approximately 4.99% of the Group's Latest Audited NTA. Consequently, in light of the urgent need for funding for the development of CBA and subject to the fulfilment of the conditions precedent to the initial utilisation of Facility A, the Company envisages that Facility A shall be fully drawn down prior to the extraordinary general meeting of the Company ("**EGM**") being convened to seek Shareholders' approval for the Loan Facility. As at the date of the Loan Agreement, all the conditions precedent to initial utilisation of Facility A have been satisfied.

Accordingly, pursuant to the Loan Agreement, there is no obligation to pay interest (including capitalised interest in accordance with the payment-in-kind interest provisions) beyond the Interest Cap unless independent shareholders' approval is obtained or under circumstances where the Listing Manual no longer applies. If the Shareholders do not approve the Loan Agreement at the EGM then the Lender is entitled to call for immediate repayment of the funds already advanced and has no obligation to make available any further funding.

As at the date of this announcement, the Group has not entered into any interested person transaction other than the Loan Agreement in FY2020.

6. AUDIT AND RISK MANAGEMENT COMMITTEE STATEMENT

The Audit and Risk Management Committee, having considered, the terms, rationale and benefits of the Loan Facility, is of the view that the Loan Facility is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.



7. THE LETTER

In April 2019, the Group requested and was granted a US\$31.7 million upside on the RCF, which has facilitated the continuation of the Group's activities for the past 12 months. The Company engaged financial advisors to assist in raising liquidity and reviewing the Group's capital structure and, in line with the Group's commitment to pursue asset sales which was provided to DBS as part of the upside, there has been an ongoing process for the sale of assets by the Group.

Pursuant to the terms of the Letter, and in line with the previous commitment provided, the Company and KrisEnergy (Asia) Ltd confirmed that they shall (and shall procure that their subsidiaries will) use best endeavours to effectuate asset sales ("**Asset Sales**") and, save as provided in the Letter, to apply the proceeds from (i) the Company's disposal of its 30% non-operated working interest in the Andaman II production sharing contract; (ii) the approximately US\$16.0 million of VAT refunds expected to be received from the Thai Revenue Department in respect of the Group's Thailand operations (the "**VAT Refund**"); (iii) the release, and repatriation to the Group, of approximately US\$39.6 million of cash that is currently held in B8/32, a producing oil field in Thailand, which cash will be released following the corporate restructuring of Orange Energy Ltd and B8/32 Partners Ltd; and (iv) all other proceeds from the Asset Sales (collectively, the "**Relevant Proceeds**"), promptly in prepayment of the RCF Agreement.

The Company is of the view that the issuance of the Letter is necessary and in the interests of the Group for reasons including (i) it reconfirms to DBS the Group's commitment to sell assets, which commitment was given when the RCF Agreement was upsized in April 2019; (ii) is in line with the terms of the RCF Agreement which provides for the Relevant Proceeds to be paid into a collection account over which DBS has first-ranking security; and (iii) one of the conditions precedent to the initial utilisation of Facility A is the provision of the Letter.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

In relation to the Letter, as mentioned above, the Company understands that there is a bilateral contract between KCL and DBS, pursuant to which the key economic risk in the RCF Agreement is held by KCL.

Save for Mr Tan Ek Kia (who is an independent non-executive director of KCL) and Mr Chris Ong Leng Yeow (who is a managing director of Keppel FELS Limited and chief executive office of Keppel Offshore & Marine Limited, which are wholly-owned subsidiaries of KCL), none of the Directors (other than in his capacity as Director or Shareholder of the Company) nor (as far as the Directors are aware) substantial Shareholders (other than KOG) of the Company has any interest (other than their respective shareholdings in the Company), direct or indirect, in the Letter and/or the Loan Agreement.

9. CIRCULAR AND FURTHER ANNOUNCEMENTS

Subject to the approval of the SGX-ST, a circular containing further information on the Loan Facility ("**Circular**"), together with a notice of EGM and the independent financial adviser's opinion, will be despatched to Shareholders in due course.

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. Stakeholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.



10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Letter, the Loan Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

ON BEHALF OF THE BOARD

Kelvin Tang
Chief Executive Officer and Executive Director
30 April 2020

Please contact the below individuals 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, two in the Gulf of Thailand and one onshore Bangladesh. It also participates in nine blocks in various stages of development, appraisal and exploration in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam. KrisEnergy operates nine of the contract areas.

All notices pertaining to the ongoing restructuring process are available on the Restructuring Information Centre <https://www.krisenergy.com/investors/restructuring-information-centre/>