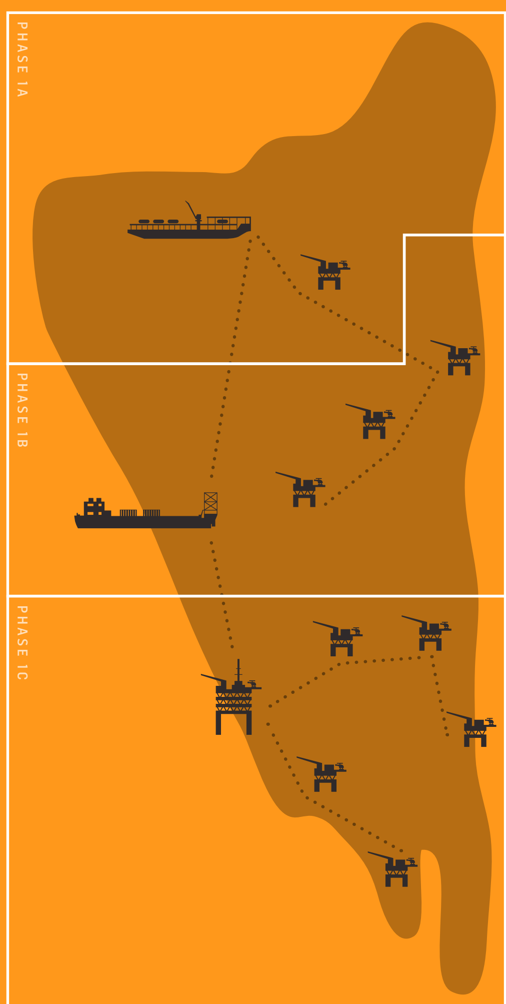
2017 ANNUAL REPORT

CAMBODIA
BLOCK A
APSARA



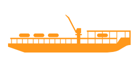
FRONT COVER:
A schematic, not to scale, of the potential development of phases 1A, 1B and 1C of the Apsara oil field in the north eastern section of Cambodia Block A in the Gulf of Thailand. The Apsara trend is one of seven geological trends in the Cambodia Block A licence where there is potential for oil and/or gas to be trapped.

On 23 August 2017, KrisEnergy, the operator of Cambodia Block A since 2014, and the Royal Government of Cambodia signed an amended and restated petroleum agreement for Cambodia Block A and a production permit for the Apsara oil development.

The Apsara field is scheduled to produce oil in 2019, an historic milestone for the economy and people of Cambodia as the nation's first oil development.

CAMBODIA BLOCK A, APSARA LEGEND:


Floating storage and offloading ("FSO") vessel


Production Barge


Central Processing Platform ("CPP")


Wellhead Platform ("WHP")

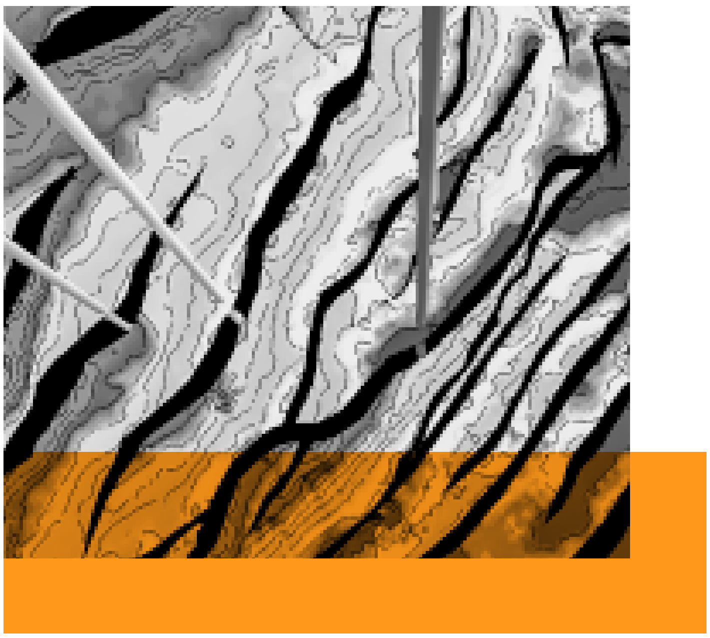
1 | 2017 REVIEW

2 | 2017 FINANCIAL REVIEW

3 | 2017 PORTFOLIO & TECHNICAL REVIEW

4 | GROUP OVERVIEW

5 | CORPORATE GOVERNANCE



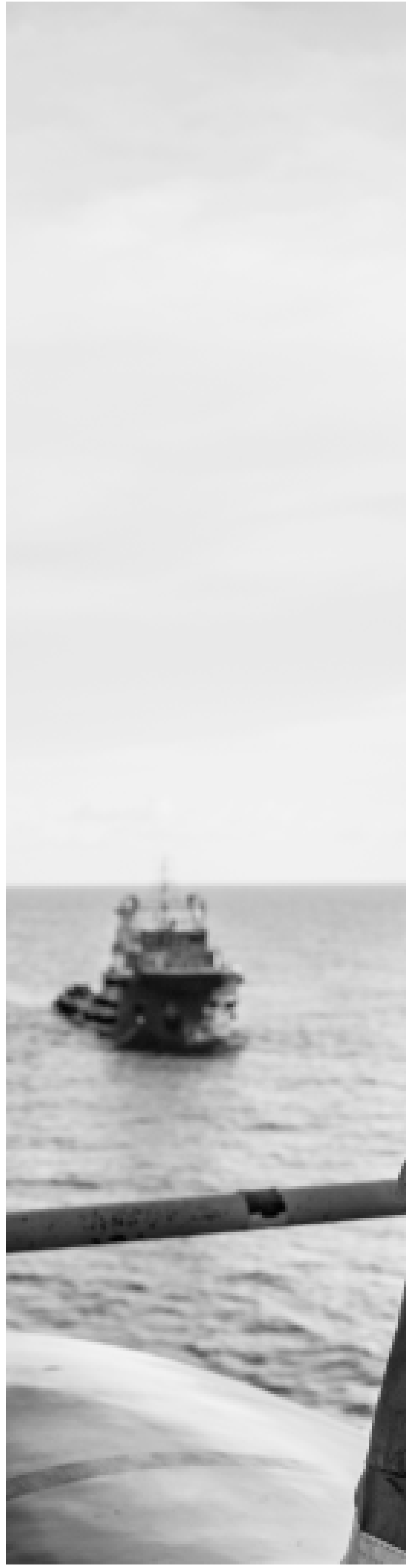
6 | DIRECTORS' REPORT & CONSOLIDATED FINANCIAL STATEMENTS

7 | OTHER INFORMATION

KRISENERGY LTD. IS AN ASIAN-FOCUSED UPSTREAM OIL AND GAS COMPANY WITH A PORTFOLIO OF PRODUCING ASSETS AND NEAR-TERM DEVELOPMENT PROJECTS. IT ALSO HOLDS A PORTFOLIO OF EXPLORATION PROSPECTS AND LEADS TO CAPTURE FUTURE GROWTH.

The Company holds working interests in 17 contract areas, five of which produced a combination of oil, condensate and or gas at an average rate of 12,745 barrels of oil equivalent per day ("boepd") in 2017. We are the operator of 10 of the contract areas and have a pipeline of development projects including oil offshore Cambodia and Thailand, and gas in Indonesia.

KrisEnergy is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").



TOTAL 17 ASSETS

5 ASSETS produced a combination of oil, condensate and gas

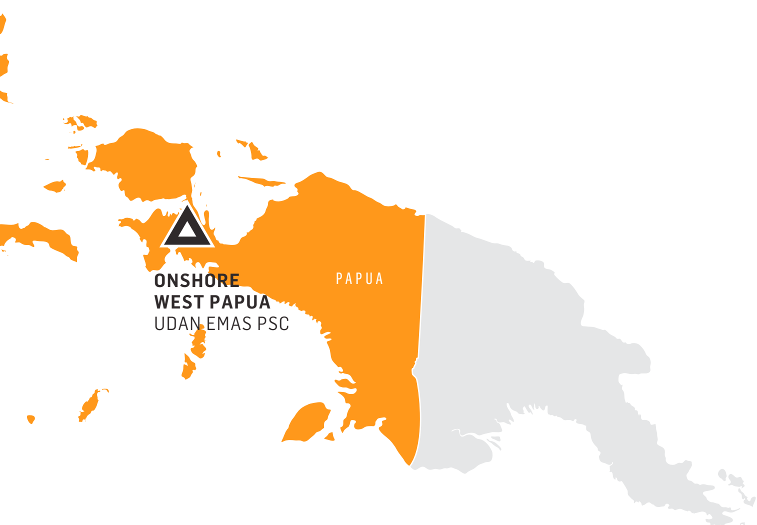
12,745 boepd average working interest production in 2017

2017 REVIEW KRISENERGY'S PORTFOLIO

COUNTRY / ASSET NAME	WORKING INTEREST (%)	OPERATOR	GROSS ACREAGE (SQ. KM)	LOCATION	WATER DEPTHS (METRES)
BANGLADESH					
BLOCK 9	30.0	KrisEnergy	1,770	Surma Basin	Onshore
SS-11	45.0	Santos	4,475	Bay of Bengal over Bengal Fan	200-1,500
CAMBODIA					
BLOCK A	95.0	KrisEnergy	3,083	Khmer Basin, Gulf of Thailand	50-80
GULF OF THAILAND					
B8/32 & B9A[1]	4.6345	Chevron	2,072	North Pattani Basin	42-113
G6/48	30.0	KrisEnergy	284	Karawake Basin on western margin of Pattani Basin	60-70
G10/48	89.0	KrisEnergy	1, 525	Southern margin of Pattani Basin	Up to 60
G11/48	22.5	Mubadala	992	Southern Pattani Basin and northwest Malay Basin	Up to 75
INDONESIA					
ANDAMAN II PSC[2]	30.0	Premier Oil	7,400	North Sumatra Basin, Malacca Strait	200 to 1,950
BALA-BALAKANG PSC	85.0	KrisEnergy	838	Southern edge of Kutai Basin, Makassar Strait	20 to over 1,000
BLOCK A ACEH PSC[3]	15.0	Medco	1,680	North Sumatra Basin	Onshore
BULU PSC	42.5	KrisEnergy	697	East Java Sea	50-60
EAST SERUWAY PSC	100.0	KrisEnergy	1,172	North Sumatra Basin, Malacca Strait	26-60
SAKTI PSC	95.0	KrisEnergy	3,719	East Java Sea	50-60
UDAN EMAS PSC	100.0	KrisEnergy	4,044	Bintuni Basin, West Papua	Onshore
VIETNAM					
BLOCK 115/09	100.0	KrisEnergy	7,382	Quang Ngai Graben into Phu Khanh Basin	60-200
BLOCK 120	33.33	Eni	6,869	Southern Song Hong Basin	50-1,100

1 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished
2 In January 2018, the Indonesian authorities awarded the Andaman II production sharing contract ("PSC"), which is pending formal signing
3 In the fourth quarter 2017, KrisEnergy ceased participation in the Block A Aceh PSC. The Company is awaiting approval of the Government of Indonesia for the take over of its residual 15.0% working interest

KrisEnergy's portfolio spans from Bangladesh in the west to West Papua in the east and from Vietnam in the north to Indonesia in the south.



Four contract areas[1] produce crude oil, liquids and/or gas onshore Bangladesh and offshore in the Gulf of Thailand. In addition, the Group is the operator of oil development projects offshore Cambodia and in the Gulf of Thailand, and a gas development offshore Indonesia in the East Java Sea.

In 2017, the Company relinquished three contract areas – the East Muriah and Kutai PSCs in Indonesia and Block 105-110/04 offshore Vietnam – to focus capital resources on development projects. We continue to maintain a portfolio of multiple prospects and leads for future exploration and growth.

OUR OFFICES

We are listed on the Mainboard of the SGX-ST and have a corporate office in Singapore. We also maintain operational offices in Dhaka in Bangladesh, Phnom Penh in Cambodia, Jakarta in Indonesia, Bangkok in Thailand and Ho Chi Minh City in Vietnam. In addition, we have a full complement of operational staff at the Bangora gas field and facilities location, onshore Bangladesh, and at the Wassana field in the Gulf of Thailand.

We largely employ local technical and professional staff, who bring experience and knowledge of the regional geology, business culture and regulatory environment.

2017 FINANCIAL HIGHLIGHTS

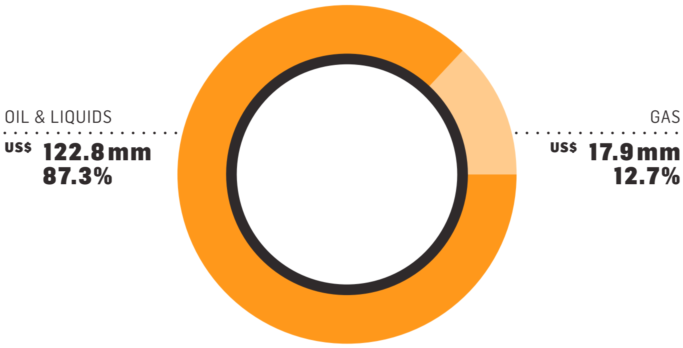
REVENUE (US$)

140.7 mm

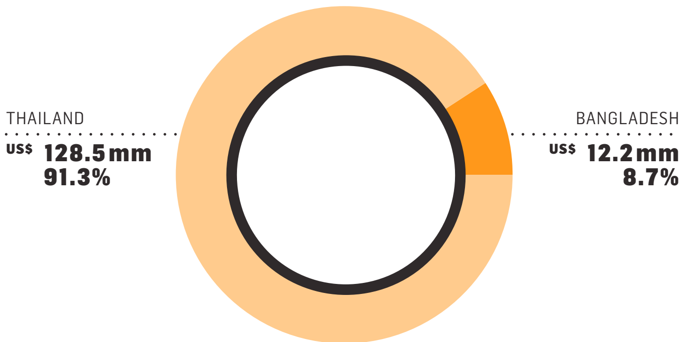
REVENUE (US$)

140.7 mm (2016: 142.8 mm)

REVENUE BY OIL TO GAS RATIO

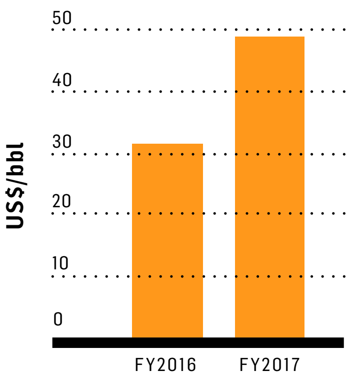


REVENUE BY COUNTRY



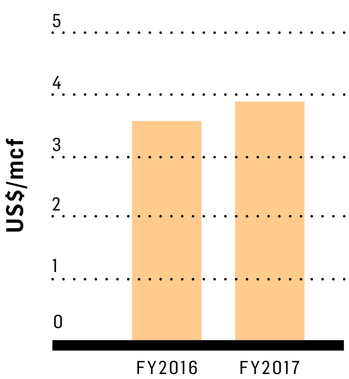
AVERAGE REALISED OIL & LIQUIDS SALES PRICE (US$)

49.26/bbl (2016: 30.99/bbl)



AVERAGE REALISED GAS SALES PRICE (US$)

3.98/mcf (2016: 3.60/mcf)[1]



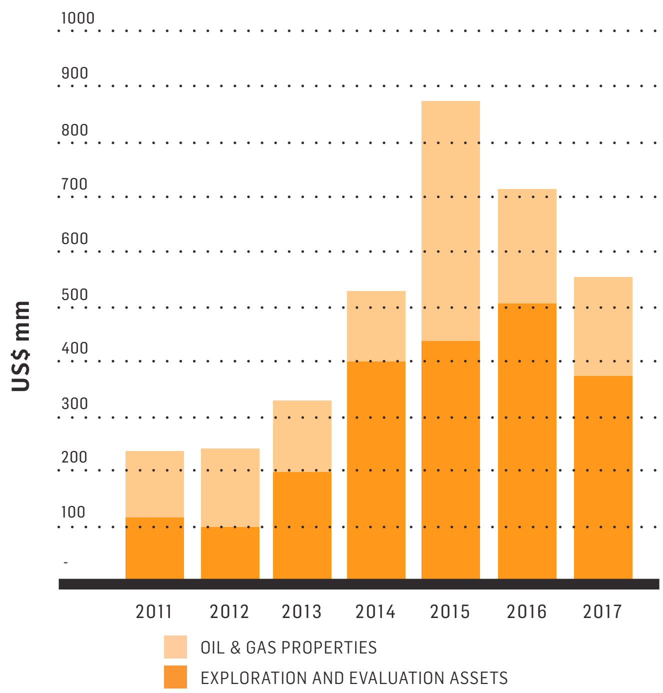
1 Excludes Bangladesh gas at a stable US$2.32/mcf

EBITDAX (US$)

26.8 mm (2016: 51.1 mm)

OIL & GAS ASSETS (US$) (AS AT 31 DECEMBER)

558.5 mm (2016: 714.8 mm)



OPERATING COST (US$)

82.3 mm (2016: 81.8 mm)

AVERAGE LIFTING COST (US$)

17.69/boe (2016: 13.85/boe)

LOANS & BORROWINGS (US$) (AS AT 31 DECEMBER)

424.6 mm (2016: 417.0 mm)

GEARING (AS AT 31 DECEMBER)

73.5% (2016: 61.8%)

CHAIRMAN'S STATEMENT

Tan Ek Kia | INDEPENDENT NON-EXECUTIVE CHAIRMAN

GLOBAL BENCHMARK BRENT CRUDE FUTURES AVERAGED US$54.75 PER BARREL ("BBL") FOR 2017, A 21.3% INCREASE FROM THE PREVIOUS YEAR'S AVERAGE

2017 remained a year of challenge and change for KrisEnergy. Upstream companies, as well as the offshore, marine and service sectors, had taken a pummelling since the oil price downturn in 2014, and many a balance sheet was left enfeebled and investor confidence severely weakened.

Energy commodity markets have improved somewhat. Global benchmark Brent crude futures averaged US$54.75/bbl for 2017, a 21.3% increase from the previous year's average when we witnessed spot levels below US$28.0/bbl. However, in the first quarter of 2018 the Brent crude market has traded between US$60.00/bbl and US$70.00/bbl, and despite the improvements we remain exceedingly cautious and we continue to take a conservative path when it comes to cash flow and capital expenditure going forward.

Our financial restructuring at the beginning of 2017 extended our debt maturities and brought some fresh funds into the Company through the issuance of zero coupon notes with warrants. This restructuring required the support of holders of KrisEnergy equity and debt securities and I would like to offer my sincere appreciation to all investors for their contribution in what was a sophisticated and interlinked process.

PORTFOLIO REBALANCING

As stated at the time of the restructuring, there was a need to adjust the operational business model as part of the process. Initiatives to reach our targets have been taken throughout the year and will continue in 2018.

One key element was the maximisation of existing production streams and we have benefitted from essential infill drilling campaigns in all our producing assets in Bangladesh and in the Gulf of Thailand. Infill drilling is in the normal course of business for Gulf of Thailand fields where stacked reservoirs are faulted or compartmentalised: drilling will maintain production levels and add to cash flow going forward if oil markets are stable.

We have rebalanced specific areas of the portfolio to prioritise capital expenditure to our core focus areas – existing producing assets and oil developments offshore Thailand and Cambodia.

As a result, we have relinquished three less mature assets in Indonesia and Vietnam. In the fourth quarter of 2017, we also took the decision to cease participation in the Block A Aceh PSC and the associated gas development. The development is highly capital intensive over several years and this decision reduces our exposure to development risks that have emerged and alleviates pressure on our capital resources, which will be directed to our lower-cost and higher product value oil developments in the Gulf of Thailand.

COST MANAGEMENT

Operating expenses for 2017 have remained relatively flat at US$82.3 million and corporate general and administrative costs continued to reduce, down by 36.6% from 2016. Cost management is another focus area although we recognise that certain expenses are fixed in nature and there must be no compromise in our actions and systems regarding environmental, health, safety and security ("EHSS").

The KrisEnergy team recorded a solid performance across all EHSS areas in the past year. The Group recorded 1,587,181 man-hours on operated assets in 2017 with zero lost time injuries ("LTIs"). Unfortunately after 1,014 working days without an LTI, one offshore personnel received an injury requiring hospital treatment in March 2018 during a regular maintenance procedure. The injured person received treatment and is expected to return to work on the next crew change rotation. The incident was immediately reported to our partner and the government regulatory body. A full investigation is underway and all necessary measures will be implemented as soon as possible to mitigate against further such incidents.

CORPORATE GOVERNANCE

As companies evolve there are natural changes to management and directors as strategies refocus.

We welcomed Kelvin Tang to the position of Chief Executive Officer as of 1 September 2017. Kelvin joined KrisEnergy at its inception in 2009, and as General Counsel, he was closely aligned with all work streams within the Group. Kelvin directed the negotiations with the various government authorities in Cambodia to sign the restated petroleum agreement and the production permit for the Apsara oil development, an outcome that forms a key element in our strategy going forward. We are benefitting from his excellent leadership in steering the Company through the ongoing challenges.

Kelvin was also appointed as Executive Director to the Board in November 2017 along with Kiran Raj, our Chief Financial Officer, who was in turn appointed as Kelvin's Alternate Executive Director. These positions will provide consistency between management and the Board.

I would also like to welcome Chris Ong Leng Yeow, Chief Executive Officer of Keppel Offshore & Marine Ltd, who joined KrisEnergy's Board as Non-executive Director effective 5 January 2018. Chris is a Chartered Engineer with almost two decades of experience in the offshore and marine sector and he brings a wealth of experience at a time when we are focused on development projects.

Associated with these changes, I would to thank and acknowledge contributions made by Jeffrey MacDonald, who stepped down from his position of Interim Chief Executive Officer and Executive Director in August 2017, and Michael Chia for his tenure as Non-executive Director until January 2018.

WORKING WITHIN OUR MEANS

It remains paramount for us to maintain rigorous discipline in our activities within funding and cash flow constraints. Our intent to derive additional financing from asset divestment/farm-out has proved challenging despite vigorous efforts, primarily a consequence of oil price volatility and reduced access to traditional capital sources. We continue discussions, notwithstanding prevailing uncertainties, and we are exploring channels to alternative and innovative funding solutions to alleviate immediate capital requirements while progressing projects to meet our timelines.

KrisEnergy is a team of capable professionals, who are very committed to deliver.

I wish to thank all stakeholders, our partners, contractors and the KrisEnergy community for the support and encouragement we have received, and continue to receive, as we go forth to charter these challenging waters.

Tan Ek Kia
Independent Non-executive Chairman | 1 April 2018

CHIEF EXECUTIVE OFFICER'S MESSAGE

Kelvin Tang | CHIEF EXECUTIVE OFFICER

OUR FINANCIAL AND OPERATIONAL RESOURCES IN 2018 AND 2019 WILL BE DIRECTED TOWARDS CORE CAMBODIAN AND THAI ASSETS IN THE GULF OF THAILAND

Although we welcomed the steady improvement in oil prices throughout 2017, the markets' gyrations in the first quarter of 2018 continued to test confidence in the upstream sector and management's ability to plan and commit to capital expenditure. In this uncertain environment, our priorities will be to safeguard our balance sheet through cost control, focus our capital resources towards committed and/or contractual expenditures, specifically on our development projects, whilst maximising oil and gas production.

With that in mind, we have continued the portfolio management process and as a result we decided in the fourth quarter of 2017 to cease participation in the Block A Aceh gas project in Indonesia, thereby reducing the Group's risk exposure. The financial impact in 2017 of the Block A Aceh cessation was a non-cash impairment of US$120.7 million, which was a primary contributor to the Group's net loss after tax of US$139.2 million. An additional write down was taken for the Kutai PSC, which we relinquished in 2017 following the expiration of the licence and as part of a management review of non-core assets.

ADVANCES MADE

Our financial and operational resources in 2018 and 2019 will be directed towards core Cambodian and Thai assets in the Gulf of Thailand where our oil development projects have shorter cycle times to begin cash flow generation, and mandatory commitment activities as required under our licence agreements. Projects have been progressing within our constrained means.

It was exceedingly satisfying to sign the petroleum agreement and production permit for Cambodia Block A and the Apsara oil field development in August 2017. The formalisation of the agreements, together with our subsequent declaration of final investment decision, have significantly de-risked the Apsara project and we were rewarded with the reclassification of Apsara contingent resources to proved plus probable reserves.

The Cambodian authorities have been tremendously supportive and we continue to cooperate closely as Apsara operations advance. We are honoured to be spearheading the Apsara development, which is a major element in our future growth and we believe we remain on track to deliver first oil in 2019.

Infill drilling was undertaken in all our producing assets in 2017 to maintain or increase production rates. This was of particular significance in the Wassana oil field in the Gulf of Thailand where for the last 12 months we had encountered mechanical issues in certain deviated wells that led to a sharp drop in productivity. Six horizontal infill wells were completed and progressively put on stream in Wassana since December 2017 providing an immediate uplift in production, which we expect to rise to around 6,000 to 7,000 barrels of oil per day ("bopd") once flow rates are optimised.

In addition, we had success in March 2018 with the Wassana-4 appraisal well and the associated sidetrack well in the vicinity of the Wassana field. Preliminary results from these wells indicate that the Wassana satellite area is an economically viable commercial development in the G10/48 licence. Development of the Wassana satellite, which would be tied back to the existing facilities, would reduce unit lifting costs on a per barrel basis.

CAPITAL EXPENDITURE

We continue to discuss opportunities to farm-down assets where we have a high working interest – Cambodia Block A and G10/48 – in parallel with exploring financing solutions to attract maximum valuations. With the continued uncertainty over oil markets, it is prudent to reduce our risk – both technical and commercial – by way of farm-out, which will also partially mitigate capital expenditure to our balance sheet.

Farm-out discussions have been hampered for at least the last 24 months largely due to turbulent oil markets, which have impacted valuations as well as access to financing. Stress tests on our developments under multiple oil price scenarios indicate that current market valuations support full commercial development.

BRIGHT DEMAND FORECASTS

As well as the somewhat tentative improvement in oil prices, the macro picture for oil and gas, particularly in Asia, appears positive. Asia is widely predicted by research bodies and think-tanks to be the driver of global energy demand growth in the coming decades through economic and population expansion and urbanisation. Although various energy sources will contribute to fill the increase in consumption, fossil fuels will continue to play a primary role to ensure consistent, secure and affordable supplies.

I would like to thank our shareholders, noteholders, banks and our colleagues in the offshore and marine sector for their support throughout 2017 as we have repositioned and to some extent, high-graded the portfolio to better manage our resources going forward. I am also profoundly grateful for the advice, support and encouragement from our Board of Directors and my colleagues in KrisEnergy.

While there remain many hurdles ahead, we are committed to rebuilding KrisEnergy into a sustainable upstream oil and gas company.

Kelvin Tang
Chief Executive Officer & Executive Director | 1 April 2018

CHIEF FINANCIAL OFFICER FINANCIAL REVIEW

Kiran Raj | CHIEF FINANCIAL OFFICER, VICE PRESIDENT FINANCE

REVENUE FOR 2017 WAS STABLE AT US$140.7 MILLION, WHICH WAS SUPPORTED BY A 59.0% INCREASE IN OUR ANNUAL AVERAGE REALISED CRUDE OIL SALES PRICE TO US$49.26/BBL

Entering 2017, we set out to execute several corporate and asset-related milestones, including:

- the restructuring and exchange of the S$130 million senior unsecured notes due 2017 (the "2017 Notes") to the S$130 million senior unsecured notes due 2022 (the "2022 Notes");
- the restructuring and exchange of the S$200 million senior unsecured notes due 2018 (the "2018 Notes") to the S$200 million senior unsecured notes due 2023 (the "2023 Notes");
- the preferential offering of senior secured zero coupon notes due 2024 ("2024 ZCNs" and together with the 2022 Notes and the 2023 Notes, the "Notes") with detachable warrants (the "Warrants") to raise S$139.5 million;
- farm-out/divestment/relinquishment of certain assets to partially mitigate portfolio and financial risk;
- maximising Group production and cost efficiencies, as well as curtailing capital expenditure to committed capital expenditure; and
- high grading the Group's development assets.

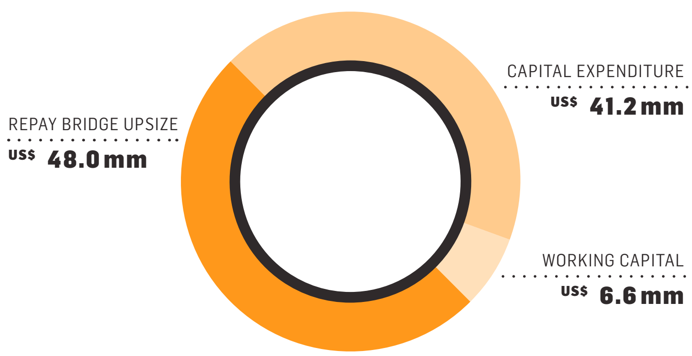
We successfully exchanged and issued the 2022 Notes and the 2023 Notes in January 2017 and subsequently raised US$95.8 million from the issue of the 2024 ZCNs with Warrants in February 2017.

We completed the farm-out of the Block A Aceh PSC and subsequently made the decision to cease participation in this gas development owing to the increasing risk exposure to the Group. Although it was our intention to farm down working interests in other development blocks, mismatches in valuations led to the strategic decision to defer the farm-out process in furtherance of enhancing the overall net present value of our interests.

The macroeconomic environment, as it impacted the upstream oil and gas industry, continued to remain volatile. As a consequence, we maintained our vigilance on cost control and further reduced Group general and administrative expenses; we continued to curtail capital expenditures to focus on committed contracted expenditures in order to protect the Group's financial performance and position; and we completed an infill well in the Bangora gas field in Bangladesh and we entered into infill drilling programs in each of the B8/32, G10/48 and G11/48 concessions in the Gulf of Thailand to maintain and/or re-establish production rates and maximise production efficiencies.

We also made progress in the future commercialisation of our development assets in the Gulf of Thailand, where today, we are attracting significant attention from global fabrication and construction parties, drilling rig and offshore support service providers and international crude oil off-takers as we strive to deliver first oil in the Kingdom of Cambodia in 2019.

Actual net proceeds from the preferential offering received by the Company were US$95.8 million



PRODUCTION & REVENUE

Group production in 2017 averaged 12,745 boepd, 21.0% lower than 2016. Group production declined as a result of decreased rates from the Wassana oil field in G10/48 where production was impacted by natural decline as well as mechanical issues from existing deviated wells.

Despite the production decline year-on-year, the audited consolidated revenue for 2017 was stable at US$140.7 million, which was supported by a 59.0% increase in our annual average realised crude oil price to US$49.26/bbl. Almost 91.0% of Group revenue was earned from our focus area in the Gulf of Thailand with Block 9 in Bangladesh contributing to the remainder.

FOR THE YEAR ENDED 31 DECEMBER	2017	2016
Sale of Crude Oil & Liquids (US$ million)	122.8	121.6
Sale of Gas (US$ million)	17.9	21.2
Revenue (US$ million)	**140.7**	**142.8**
Production Volumes		
Oil & Liquids (bopd)	7,066	10,146
Gas (mmcfd)	34.1	35.9
Total (boepd)	**12,745**	**16,136**
Average Sales Price		
Oil & Liquids (US$/bbl)	49.26	30.99
Gas (US$/mcf)	3.98	3.60

COST OF SALES

The Group's audited cost of sales declined by 29.6% year-on-year, largely due to a 53.8% decrease in depreciation, depletion and amortisation ("DD&A") charges. We entered 2017 with lower carrying values for the Group's Oil & Gas Properties Assets and Exploration, Evaluation & Appraisal Assets due to the incurrence of impairment charges in 2016 ("FY2016"). As a result, and coupled with lower Group production in 2017, DD&A amounted to US$48.3 million (FY2016: US$104.5 million).

Operating costs were flat year-on-year at US$82.3 million in 2017 (FY2016: US$81.8 million). The Group's operating costs associated with producing assets are generally fixed in nature. Given lower production recorded in 2017 and relatively flat operating costs, Group lifting costs increased 27.7% to US$17.69 per barrel of oil equivalent ("boe") compared with US$13.85/boe in 2016.

The higher average realised crude price in Thailand in 2017 was offset by lower Wassana oil sales, which resulted in Thailand petroleum royalties paid remaining flat at US$11.2 million year-on-year. We also incurred US$2.4 million write down in crude oil inventories in 2017. As a result of stable revenue and lower cost of sales, the Group improved and recorded its best gross margin position since 2014, with a gross loss of US$3.5 million compared with a gross loss of US$62.1 million in 2016.

FOR THE YEAR ENDED 31 DECEMBER	2017	2016
Cost Of Sales (US$ million)	144.2	204.9
Average Lifting Cost		
Oil, Liquids & Gas (US$/boe)	17.69	13.85
Operating Costs (US$ million)	82.3	81.8
Total Production (mmboe)	**4.7**	**5.9**

EBITDAX

EBITDAX decreased 47.5% to US$26.8 million in 2017 (FY2016: US$51.1 million). The year-on-year decrease was primarily attributed to the recognition of US$16.1 million non-cash unrealised exchange losses incurred on the translation of the 2022 Notes, 2023 Notes and the 2024 ZCNs in 2017, coupled with a US$10.6 million gain from the sale of a subsidiary in 2016.

FINANCE COSTS

The financial restructuring gave rise to various non-cash transactions. Due to the exchange of the 2022 Notes and 2023 Notes, as well as the issue of the 2024 ZCNs, the Group recognised a one-time, fair value gain amounting to US$73.9 million in the first quarter of 2017. The Notes were recognised on the Group's balance sheet below face value and as a result, and will continue to incur, quarterly charges to the income statement with the corresponding increase in the fair value of the Notes until the respective maturity dates. During 2017, the Group incurred US$22.5 million as non-cash accretion of bond discount in relation to the Notes, accounting for 41.8% of Group audited finance costs for 2017.

Overall, finance costs increased 61.6% to US$53.8 million in 2017 (FY2016: US$33.3 million), which excluding non-cash expenses (US$25.0 million), mainly comprised (i) interest expense on the 2022 Notes, 2023 Notes and senior secured revolving credit facility ("RCF") amounted to US$20.4 million; and (ii) financial restructuring expenses amounted to US$7.8 million.

LOSS AFTER TAX

Net loss after tax reduced 41.3% to US$139.2 million in 2017 (FY2016: US$237.1 million). Non-cash expenses of US$139.9 million contributed to the Group's net loss after tax position primarily due to (i) an impairment charge associated with the decision to cease participation in the Block A Aceh PSC; (ii) US$6.2 million in write-offs related to the relinquishment of the Kutai PSC; and (iii) higher finance costs incurred for the exchange of the 2022 Notes, 2023 Notes and the issuance of the 2024 ZCNs.

FOR THE YEAR ENDED 31 DECEMBER (US$ MILLION)	**2017**	**2016**
EBITDAX	26.8	51.1
Loss Before Tax	134.8	234.6
Tax Expense	4.4	2.4
Loss After Tax	**139.2**	**237.1**

CAPITAL EXPENDITURES

We continued to curtail capital expenditure in 2017, with actual expenditure amounting to US$68.7 million, a similar level to the previous year (FY2016: US$65.9 million) and significantly lower than the guidance provided.

Expenditure was reduced for the Block A Aceh gas development project in Indonesia. Although our working interest capitalised expenditure totaled US$30.0 million during 2017, a large portion of payments were derived *in lieu* of cash proceeds from the operator in connection with KrisEnergy's farm-down of working interest in April 2017 from 41.6666% to 15.0%.

Capital expenditure relating to the Wassana oil field infill drilling campaign was deferred to the fourth quarter of 2017 and a significant proportion of costs were reallocated to 2018.

It was our objective to commit capital expenditure in 2017 to maintain and enhance production as well as to progress the Group's development projects. Discretionary expenditures continued to be restricted to preserve the Group's financial position and liquidity.

The preliminary capital expenditure budget for 2018 amounts to US$114.8 million, where 83.6% has been allocated towards producing and near-term development assets. The remaining balance of the 2018 capital expenditure budget is intended to be allocated to mandatory work commitments.

CAPITAL EXPENDITURE BY COUNTRY (US$ MILLION)	**FY 2017 FORECAST (AS AT AUG 2017)**	**FY 2017 ACTUAL**	**FY 2018 FORECAST**
Producing Assets	**50.0**	**30.7**	**54.9**
Bangladesh	7.9	1.0	0.6
Thailand[1]	42.1	29.7	54.3
Assets Under Development	**53.1**	**33.7**	**41.1**
Cambodia[2]	5.4	3.0	39.4
Indonesia	47.3	30.0	-
Thailand	0.4	0.7	1.7
Exploration Assets	**7.2**	**4.3**	**18.8**
Indonesia	2.9	2.0	5.0
Bangladesh	0.3	0.4	3.0
Vietnam	4.0	1.9	10.8
Total	**110.3**	**68.7**	**114.8**

NOTES:
1 Excludes capital expenditure relating to the B8/32 and B9A concessions
2 Includes capital expenditure relating to a production barge

LOANS & BORROWINGS

As at 31 December 2017, loans and borrowings on the Group's balance sheet amounted to US$424.6 million and the Group's gearing was 73.5% (FY2016: 61.8%). The increase in gearing was attributed to the issue of the 2024 ZCNs, which was partially mitigated by the issue of the warrants, as well as the loss after tax incurred for the year.

The Group's US$148.3 million RCF was reclassified as a current liability as at 31 December 2017 as the facility is scheduled to mature on 30 June 2018. On 29 March 2018, we agreed with DBS Bank Ltd ("DBS") to extend the RCF by two years, maturing 30 June 2020 with no change to the terms of the RCF.

AS AT 31 DECEMBER (US$ MILLION)	**2017**	**2016**	**2015**
Amount Repayable in One Year or Less	148.3	40.0	14.0
Amount Repayable After One Year	276.3	379.5	325.8

CASH

Net cash flow from operating activities in 2017 increased to US$23.1 million, compared with net cash flow used in operating activities of US$4.3 million in 2016.

Net cash flow used in investing activities was US$34.5 million in 2017 (FY2016: US$77.1 million). Material movements in capital expenditure in 2017 included (i) the drilling program in G10/48 of US$18.4 million; (ii) infill drilling in the Nong Yao field in G11/48 of US$5.4 million; and (iii) development activities in Block A Aceh amounting to US$14.2 million, which was offset with the purchase consideration from KrisEnergy's farm-out of 26.6666% working interest in the block completed in April 2017.

In 2017, we received net proceeds of US$95.8 million from the preferential offering of which US$48.0 million was utilised to repay a bridge granted to the Group by DBS in 2016, and US$41.2 million was utilised for capital expenditure. Financial restructuring expenses and bond coupon payments amounted to US$14.9 million.

FOR THE YEAR ENDED 31 DECEMBER (US$ MILLION)	**2017**	**2016**
Net Cash Flows From/(Used In) Operating Activities	23.1	(4.3)
Net Cash Flows Used in Investing Activities	34.5	77.1
Net Cash Flows From Financing Activities	39.5	91.2
Cash And Cash Equivalents At End Of The Period	**65.6**	**37.5**

2018 FINANCIAL OUTLOOK

The Group's financial focus in 2018 will be to maximise cash flow from (i) expected incremental production from the Wassana field in the G10/48 concession and (ii) improvement in realised oil pricing for Wassana crude oil as we enter into a new one-year sales contract commencing 1 May 2018. The price differential against the Dubai crude benchmark will improve by more than 50.0%.

We were encouraged by the successful Wassana-4 appraisal well drilled and completed in March 2018, which we believe will provide valuable data to approve and sanction the development of the Wassana satellite field in the vicinity of the existing Wassana production facilities. The satellite development will be tied back to the existing Wassana facilities, thereby sharing operating costs. The increased production from the overall Wassana development will result in a reduction in lifting costs.

Following significant progress made in the Cambodia Block A development in 2017, we are in the process of selecting preferred bidders for the Apsara Phase 1A platform construction and installation, as well as the provision of drilling and support services. We intend to implement fully-integrated development funding solutions to improve project returns for the Apsara oil field as well as to preserve the Group's cash position. High grading of Cambodia Block A is critical to KrisEnergy's strategy as we remain firm in our commitment to deliver first oil to the Kingdom of Cambodia in 2019.

In addition to Cambodia Block A and the Wassana satellite, we will continue to work with our joint-venture partners to progress other development assets, namely the Rossukon oil field in G6/48 in the Gulf of Thailand and the Lengo gas field in the Bulu PSC offshore East Java, Indonesia. Our intention is to continue developing both Rossukon and Lengo projects so as to be able to consider final investment decision sometime at the end of 2018 or early 2019.

Balance sheet management remains critical to the financial and risk management of the Group. On 8 January 2018, we made a voluntary announcement regarding the divestment of holdings by KrisEnergy Holdings Ltd. a special purpose vehicle wholly-owned by First Reserve Fund XII, L.P. ("First Reserve"). First Reserve does not inform the Board of Directors of its trading and investment rationale.

We intend to continue to fund our operations through a combination of cash on hand, free cash flow from operations, the Group's existing bank facilities, structured financing solutions for development projects and potentially, proceeds from asset realisations. Today, the RCF has capacity to increase to US$200.0 million and the upsize funds may be drawn on as and when appropriate to provide additional sources of working capital.

As we enter into 2018, although volatility remains, we are encouraged by the recent rally in Brent benchmark pricing. In parallel with the high grading of our assets, we intend to undertake farm out transactions to mitigate risk. We believe certain producing and development assets should be considered significant farm-out prospects, especially those in which we hold high working interests such as the G10/48 concession and Cambodia Block A, both in the Gulf of Thailand.

Kiran Raj
Chief Financial Officer, Vice President Finance
(Alternate Executive Director to Kelvin Tang) | 1 April 2018

FISCAL TERMS

THE PETROLEUM LICENCES IN WHICH WE HAVE INTERESTS CONTAIN THE TERMS OF OUR CONCESSIONS AS AGREED BETWEEN THE PARTICIPANTS AND THE RELEVANT HOST GOVERNMENT. THE ECONOMIC TERMS OF THESE LICENCES, COMMONLY KNOWN AS FISCAL TERMS, VARY DEPENDING ON JURISDICTION.

The table below sets out the material fiscal terms of our Bangladesh assets.

BANGLADESH	BLOCK 9	SS-11
DOMESTIC MARKET OBLIGATION ("DMO") FOR OIL	With six months' prior written notice, Petrobangla may require contractor to provide its pro rata share of oil, up to 25.0% of its share of profit oil, for domestic consumption.	With six months' prior written notice, Petrobangla may require contractor to provide its pro rata share of oil, up to 80.0% of its share of profit oil, for domestic consumption.
DMO PRICE FOR OIL	15.0% discount to fair market value.	15.0% discount to fair market value.
DMO FOR GAS	Contractor must first offer all its share of gas to Petrobangla and its affiliates. If Petrobangla or its affiliates do not purchase the gas within six months of contractor's submission of an evaluation report, contractor is free to find a market outlet within Bangladesh.	Contractor must first offer all its share of gas to Petrobangla and its affiliates. If Petrobangla or its affiliates does not purchase the gas within six months of contractor's submission of an evaluation report, contractor is free to find a market outlet within Bangladesh.
DMO PRICE FOR GAS	Price of gas sold to Petrobangla and its affiliates is set at 75.0% of the average for each calendar quarter of Platt's Oilgram quotations of High Sulphur Fuel Oil 180 CST, free-on-board ("FOB") Singapore with a floor price of US$70 per metric tonne and ceiling price of US$120 per metric tonne. Price of gas sold to Petrobangla is subject to a further 1.0% discount. Price of gas sold to third parties shall be equal to or greater than the pricing formula described above.	Price of gas sold to Petrobangla and its affiliates is set at 75.0% of the average for each calendar quarter of Asian Petroleum Price Index quotations of High Sulphur Fuel Oil 180 CST, FOB Singapore with a floor price of US$100 per metric tonne and ceiling price of US$200 per metric tonne. Price of gas sold to Petrobangla is subject to a further 1.0% discount. Price of gas sold to third parties shall be equal to or greater than the pricing formula described above.
COST RECOVERY LIMIT		
Oil	Up to 40.0% per calendar year of all oil produced and saved from the contract area and not used in petroleum operations.	Up to 55.0% per calendar year of all oil produced and saved from the contract area and not used in petroleum operations.
Gas	Up to 45.0% per calendar year of all gas produced and saved from the contract area and not used in petroleum operations.	Up to 55.0% per calendar year of all gas produced and saved from the contract area and not used in petroleum operations.

	DURING COST RECOVERY	AFTER COST RECOVERY	
PROFIT OIL SPLIT (TO CONTRACTOR)			
Up to 10,000 bopd	33.0%	30.0%	–
Portion Over 10,000 and Up to 25,000 bopd	30.0%	25.0%	–
Portion Over 25,000 and Up to 50,000 bopd	25.0%	20.0%	–
Portion Over 50,000 and Up to 100,000 bopd	20.0%	15.0%	–
Portion Over 100,000 bopd	17.0%	10.0%	–
PROFIT GAS SPLIT (TO CONTRACTOR)			
Up to 75 mmcfd	39.0%	34.0%	45.0%
Portion Over 75 and Up to 150 mmcfd	39.0%	34.0%	40.0%
Portion Over 150 and Up to 250 mmcfd	34.0%	27.5%	35.0%
Portion Over 250 and Up to 300 mmcfd	34.0%	27.5%	30.0%
Portion Over 300 andUp to 400 mmcfd	27.5%	22.0%	30.0%
Portion Over 400 and Up to 450 mmcfd	27.5%	22.0%	25.0%
Portion Over 450 and Up to 600 mmcfd	25.0%	17.5%	25.0%
Portion Over 600 mmcfd	18.0%	15.0%	20.0%
PROFIT CONDENSATE/LIQUIDS (TO CONTRACTOR)			
Up to 3,000 boepd	35.0%	30.0%	–
Portion Over 3,000 and Up to 6,000 boepd	32.0%	27.0%	–
Portion Over 6,000 and Up to 10,000 boepd	28.0%	25.0%	–
Portion Over 10,000 and Up to 15,000 boepd	25.0%	20.0%	–
Portion Over 15,000 boepd	20.0%	15.0%	–

	Block 9		SS-11
	DURING COST RECOVERY	**AFTER COST RECOVERY**	
PROFIT OIL AND CONDENSATE/LIQUIDS (TO CONTRACTOR)			
Up to 5,000 boepd	–	–	45.0%
Portion Over 5,000 and Up to 12,500 boepd	–	–	42.5%
Portion Over 12,500 and Up to 25,000 boepd	–	–	40.0%
Portion Over 25,000 and Up to 40,000 boepd	–	–	35.0%
Portion Over 40,000 and Up to 65,000 boepd	–	–	30.0%
Portion Over 65,000 and Up to 100,000 boepd	–	–	25.0%
Portion Over 100,000 boepd	–	–	20.0%
		GENERAL	**GENERAL**
PRODUCTION BONUS PAYMENTS			
Within 30 Days of First Commercial Discovery		US$1mm	US$3mm
		OIL	**OIL**
Upon Daily Average of 10,000 bopd for 30 Consecutive Days		US$1mm	US$0.5mm
Upon Daily Average of 20,000 bopd for 30 Consecutive Days		US$1mm	US$1mm
Upon Daily Average of 30,000 bopd for 30 Consecutive Days		US$1mm	US$2mm
Upon Daily Average of 40,000 bopd for 30 Consecutive Days		US$2mm	US$2.5mm
Upon Daily Average of 50,000 bopd for 30 Consecutive Days		US$2mm	US$3mm
Upon Daily Average of 100,000 bopd for 30 Consecutive Days		US$2mm	US$4mm
		GAS	**GAS**
Upon Daily Average of 75 mmcfd for 30 Consecutive Days		US$1mm	US$0.5mm
Upon Daily Average of 150 mmcfd for 30 Consecutive Days		US$1mm	US$1mm
Upon Daily Average of 225 mmcfd for 30 Consecutive Days		US$1mm	US$2mm
Upon Daily Average of 300 mmcfd for 30 Consecutive Days		US$2mm	US$2.5mm
Upon Daily Average of 375 mmcfd for 30 Consecutive Days		US$2mm	US$3mm
Upon Daily Average of 450 mmcfd for 30 Consecutive Days		–	US$4mm
Upon Daily Average of 600 mmcfd for 30 Consecutive Days		US$5mm	US$6mm
INCOME TAX		All Bangladesh income tax levied on petroleum operations are borne and discharged by Petrobangla.	All Bangladesh income tax levied on petroleum operations are borne and discharged by the contractor.
BANGLADESH PARTICIPATION OPTION		None	None

The table below sets out the material fiscal terms of Cambodia Block A.

CAMBODIA

	BLOCK A	
ROYALTY	12.5% of production	
COST RECOVERY PETROLEUM	85.0% of production for first five years from date of first commercial production, and 70.0% of production for the period thereafter	
ALLOCATION OF REMAINING OIL (TO CONTRACTOR) (average annual production)	Up to 10,000 bopd	58.0%
	In excess of 10,000 – 25,000 bopd	53.0%
	Portion over 25,000 and up to 50,000	48.0%
	Portion over 50,000 bopd	38.0%
ALLOCATION OF REMAINING GAS (TO CONTRACTOR)	65.0%	
INCOME TAX (NOT PAYABLE ON THE ROYALTY PETROLEUM OR COST RECOVERY PETROLEUM)	25.0% for five years from first year of taxable income, and 30.0% thereafter.	
EXPORT TAX	2.0%	
PRODUCTION BONUS PAYMENT	None	
EXCESS PROFIT TAX ("EPT")	**EXCESS PROFIT RATIO**	**EPT RATE**
	0.00 – 1.30	0.0%
	1.30 – 1.60	10.0%
	1.60 – 2.00	20.0%
	2.00 – 2.50	30.0%
	2.50 – 3.00	30.0%
	over – 3.00	30.0%
ANNUAL SURFACE RENTAL FEE	US$500 per sq. km of unrelinquished contract area from effective date.	
MINISTRY OF MINES AND ENERGY ("MME") OPTION	5.0% participating interest held by General Department of State Property and Non Tax Revenue ("GDSPNTR") of the Ministry of Economy and Finance. Petroleum operations costs associated with GDSPNTR's 5.0% participating interest will be carried by the remaining holder(s) of the 95.0% participating interest in the block and reimbursed out of GDSPNTR's share of revenues from commercial production.	

The table below sets out the material fiscal terms of our Indonesian assets.

INDONESIA

	BLOCK A ACEH[1]	BULU	EAST SERUWAY	SAKTI	BALA-BALAKANG	UDAN EMAS
FIRST TRANCHE PETROLEUM ("FTP") (OIL AND GAS):						
(as % of Total Petroleum Production)	20.0%	10.0%	20.0%	20.0%	20.0%	20.0%
EFFECTIVE TAX RATE	40.0%	44.0%	44.0%	44.0%	44.0%	44.0%
DMO FOR OIL	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
DMO FOR GAS	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
DMO PRICE FOR OIL (% OF MARKET PRICE)	15.0%	25.0%	25.0%	25.0%	25.0%	25.0%
DMO PRICE FOR GAS (% OF MARKET PRICE)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
PRE-TAX PROFIT OIL SPLIT TO CONTRACTOR	25.0%	35.7%	26.8%	41.7%	58.3%	58.3%
PRE-TAX PROFIT GAS SPLIT TO CONTRACTOR	58.3%	62.5%	53.6%	58.3%	66.7%	66.7%
PRODUCTION BONUS PAYMENTS UPON CUMULATIVE PRODUCTION HAVING REACHED:						
25 mmboe	US$1mm	–	US$1mm	US$1mm	US$1mm	US$1mm
50 mmboe	US$2mm	US$500,000	US$1mm	US$1.5mm	US$1.5mm	US$1.5mm
75 mmboe	–	US$1mm	US$1mm	US$2mm	US$2mm	US$2mm
100 mmboe	US$4mm	–	–	–	–	–
125 mmboe	–	US$2mm	–	–	–	–
INDONESIAN PARTICIPATION OPTION	–	10.0%	10.0%	10.0%	10.0%	10.0%
ACEH PARTICIPATION OPTION	10.0%	–	–	–	–	–
LOCAL COMMUNITY FUND CONTRIBUTION	1.0% of gross revenue	–	–	–	–	–

1 In the fourth quarter of 2017, KrisEnergy ceased participation in the Block A Aceh PSC. The Company is awaiting approval of the Government of Indonesia for the takeover of its residual 15.0% working interest

ANDAMAN II[2]

PRE-TAX GROSS PROFIT SPLIT TO CONTRACTOR		
	OIL	**GAS**
Base Split	43.0%	48.0%
Variable Split	Not fixed; to be determined at a future stage (dependent on variable factors)	
Progressive Split	Not fixed; to be determined at a future stage (dependent on variable factors)	
CONTRACTOR TAX REGIME RATE	40.0%	

2 The Andaman II PSC, which was awarded by the Indonesian authorities in January 2018, is pending formal signing

The table below sets out the material fiscal terms of our Thai assets.

THAILAND

	B9A[3]	B8/32, G6/48, G10/48 & G11/48	
ROYALTY (as % of the Value of Petroleum Sold or Disposed in Each Month)	12.5%	0 – 60,000 barrels	5.0%
		60,000 – 150,000 barrels	6.2%
		150,001 – 300,000 barrels	10.0%
		300,001 – 600,000 barrels	12.5%
		Over 600,000 barrels	15.0%
INCOME TAX RATE	50.0%		50.0%
ANNUAL SURFACE RESERVATION FEE	THB 4,000 per sq. km per year		Payable at various rates
SPECIAL REMUNERATORY BENEFIT	None	Payable at the end of each fiscal year in various rates based on the profit earned during the year up to a maximum payment of 75.0% of the profit earned.	

		B8/32	G6/48	G10/48	G11/48
PRODUCTION BONUS PAYMENT	Fully discharged	Fully discharged	US$0.3 million payable within 30 days from day total production from the contract area first averages 10,000 boepd for 90 consecutive days	US$0.5 million payable within 30 days from day total production from the contract area first averages 20,000 boepd for 30 consecutive days	US$0.5 million payable within 30 days from day total production from the contract area first averages 20,000 boepd for 30 consecutive days
THAI PARTICIPANT OPTION	None	None	None	10.0%	10.0%, discharged

3 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished

The table below sets out the material fiscal terms of our Vietnam assets.

VIETNAM

	BLOCK 115/09	BLOCK 120
ROYALTY ON OIL (bopd)	7.0% 9.0% 11.0% 13.0% 18.0% 23.0% 0 20,000 50,000 75,000 100,000 150,000	4.0% 6.0% 8.0% 10.0% 15.0% 20.0% 0 20,000 50,000 75,000 100,000 150,000
ROYALTY ON GAS (mmcfd)	0.0% 3.0% 6.0% 0 5 10	0.0% 3.0% 6.0% 0 5 10
COST RECOVERY LIMIT	70.0% of gross reserves	70.0% of gross reserves
PRE-TAX PROFIT OIL SPLIT (TO CONTRACTOR)	75.0% 70.0% 65.0% 60.0% 55.0% 50.0% 0 20,000 50,000 75,000 100,000 150,000	40.0% 35.0% 30.0% 25.0% 20.0% 15.0% 0 20,000 50,000 75,000 100,000 150,000
PRE-TAX PROFIT GAS SPLIT (TO CONTRACTOR)	77.0% 70.0% 60.0% 50.0% 50.0% 0 5 10 15 20	50.0% 47.5% 45.0% 42.5% 40.0% 0 5 10 15 20
INCOME TAX RATE	32.0% 32.0% 32.0% 0 12 24	0.0% 16.0% 32.0% 0 12 24
OIL EXPORT DUTY	10.0%	4.0%
PRODUCTION BONUS PAYMENTS		
GENERAL		
Within 30 Days of First Commercial Discovery	US$1mm	US$2mm
Within 30 Days of First Commercial Production	US$1mm	US$2mm
OIL (bopd) 30 Consecutive Days	US$1mm US$2mm US$3mm US$4mm US$5mm 0 20,000 50,000 75,000 100,000 150,000	US$2mm US$3mm US$5mm US$7mm US$10mm 0 20,000 50,000 75,000 100,000 150,000
GAS (mmcfd) 30 consecutive days	US$1mm US$1mm US$1mm 0 5 10 15	US$2mm US$3mm US$4mm 0 5 10 15
PetroVietnam Option	20.0%	20.0%

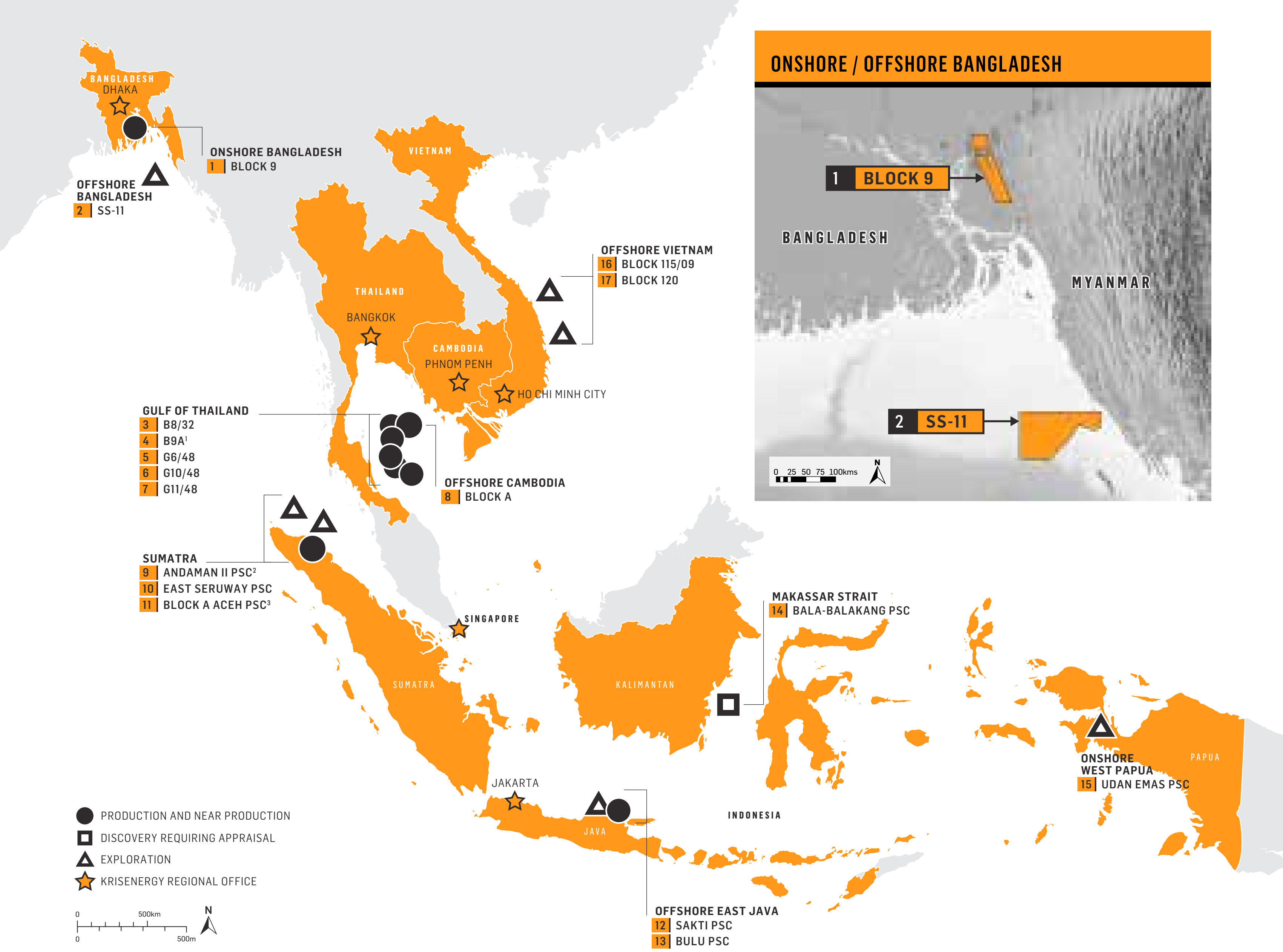
The table below sets out certain information regarding our oil and gas assets as at 1 April 2018.

COUNTRY/ ASSET NAME	EFFECTIVE INTEREST (%)	STATUS[1]	EFFECTIVE DATE	LICENCE EXPIRY DATE	EXPLORATION PERIOD	PRODUCTION AREA	PRODUCTION PERMIT EXPIRY DATE	LICENCE AREA (SQ. KM)	TYPE OF MINERAL OIL OR GAS DEPOSIT	LICENCE TYPE
BANGLADESH										
BLOCK 9	30.0	Production & development unclarified	11 April 2001	26 August 2033	–	Bangora	26 August 2033[2]	1,770	Gas / Condensate	PSC
SS-11	45.0	Exploration	12 March 2014	See Note 2	11 March 2019	–	–	4,475	Oil/Gas	PSC
CAMBODIA										
BLOCK A	95.0	Near production	23 August 2017	22 August 2042	22 August 2042	Apsara	22 August 2042	3,083	Oil	Petroleum Agreement
INDONESIA										
BLOCK A ACEH	15.0[3]	Near production & development unclarified	1 September 2011	31 August 2031	31 August 2031	–	–	1,680	Gas/ Condensate	PSC
BULU	42.5	Near production	14 October 2003	13 October 2033	–	Lengo	13 October 2033	697	Gas	PSC
EAST SERUWAY	100.0	Exploration	13 November 2008	12 November 2038	13 November 2008 to 12 June 2020[4]	–	–	1,172	Oil/Gas	PSC
SAKTI	95.0	Development unclarified	26 February 2014	25 February 2044	26 February 2014 to 25 February 2020[4]	–	–	3,719	Oil/Gas	PSC
BALA-BALAKANG	85.0	Development unclarified	19 December 2011	18 December 2041	19 December 2011 to 18 December 2021[4]	–	–	838	Gas	PSC
UDAN EMAS	100.0	Exploration	20 July 2012	19 July 2042	20 July 2012 to 19 July 2018[4]	–	–	4,044	Gas	PSC
ANDAMAN II	30.0	Exploration	See Note 5	See Note 5	See Note 5	–	See Note 5	7,400	Oil/Gas	Gross Split PSC

COUNTRY/ ASSET NAME	EFFECTIVE INTEREST	STATUS[1]	EFFECTIVE DATE	LICENCE EXPIRY DATE	EXPLORATION PERIOD	PRODUCTION AREA	PRODUCTION PERMIT EXPIRY DATE	LICENCE AREA (SQ. KM)	TYPE OF MINERAL OIL OR GAS DEPOSIT	LICENCE TYPE
THAILAND										
B8/32	4.6345	Production	1 August 1991	31 July 2030[6]	–	Tantawan[8]	31 July 2030[7]	1,992	Oil/Gas	Tax/ Royalty
						Benchamas South and Pakarong	31 July 2030[7]			
						Maliwan	31 July 2030[7]			
						North Jarmjuree	31 July 2030[7]			
						North Benchamas	31 July 2030[7]			
						Chaba	31 July 2030[7]			
B9A	4.6345	Production[8]	17 July 2003	16 July 2041[6]	–	Rajpruek[8]	16 July 2041[7]	80	Oil/Gas	Tax/ Royalty
G6/48	30.0	Near production & development unclarified	8 January 2007	See Note 6	8 January 2007 to 7 January 2021[4]	Rossukon	7 January 2036[7]	284	Oil/Gas	Tax/ Royalty
G10/48	89.0	Production & development unclarified	8 December 2006	See Note 6	8 December 2006 to 7 December 2020[4]	Wassana	7 December 2035[7]	1,525	Oil	Tax/ Royalty
G11/48	22.5	Production & development unclarified	13 February 2007	See Note 6	13 February 2007 to 12 February 2021[4]	Nong Yao	12 February 2036[7]	992	Oil/Gas	Tax/ Royalty
VIETNAM										
BLOCK 115/09	100.0	Exploration	31 March 2014	30 March 2044	31 March 2014 to 30 March 2020[4]	–	–	7,382	Oil/Gas	PSC
BLOCK 120	33.33	Exploration	23 January 2009	22 January 2039	23 January 2009 to 22 January 2019[4]	–	–	6,869	Oil/Gas	PSC

NOTES:

1 Each of our contract areas also holds exploration prospects and leads
2 Production permits will be valid for 25 years with an extension period of up to five years
3 In the fourth quarter of 2017, KrisEnergy ceased participation in the Block A Aceh PSC. The Company is awaiting approval of the Government of Indonesia for the takeover of its residual 15.0% working interest
4 Exploration period may be extended with the approval of the host government
5 The Andaman II PSC, which was awarded by the Indonesian authorities in January 2018, is pending formal signing
6 Licence expiry dates can be extended if host government grants extension of exploration period or production permit
7 Production permits are valid for 20 years with an extension period of up to 10 years
8 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished



1 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished
2 In January 2018, the Indonesian authorities awarded the Andaman II PSC, which is pending formal signing
3 KrisEnergy has ceased participation in the Block A Aceh PSC. The Company is awaiting approval of the Government of Indonesia for the takeover of its 15.0% residual working interest

THE PORTFOLIO

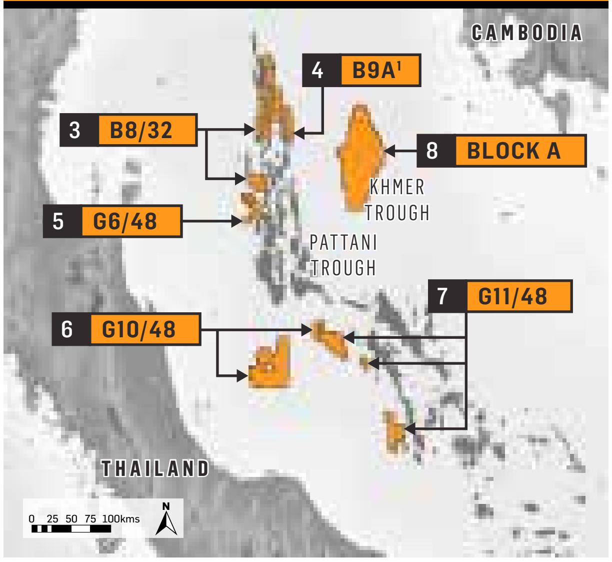
AS AT 1 APRIL 2018, KRISENERGY HELD WORKING INTERESTS IN 17 CONTRACT AREAS IN FIVE COUNTRIES.

Our assets are largely in shallow waters in well-explored geological basins. We operate 10 of our 17 assets, giving us control of the work programs and budgets and therefore the flexibility to optimise operations such as drilling and seismic acquisition as well as the timing of expenditure.

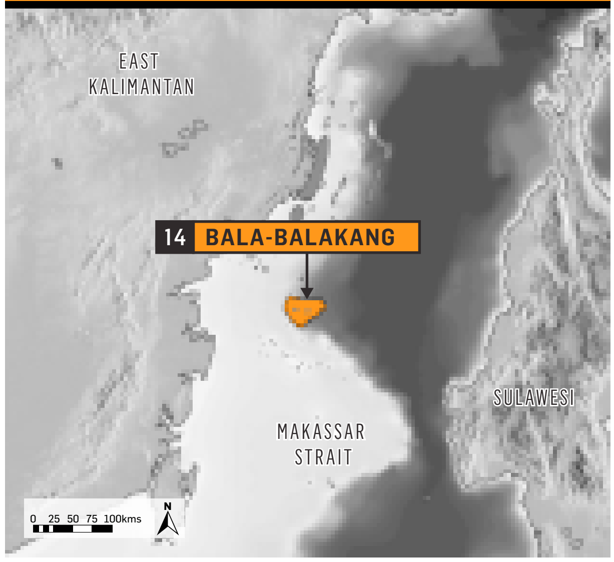
We aim to balance our reserves, resources and production between oil and gas. Commercial oil discoveries are quicker to develop and sell into a ready international spot market at a higher value than the gas equivalent, but the latter is generally sold in Asia under long-term supply contracts and is less vulnerable to the volatility of global benchmark oil prices.

Our four producing assets – B8/32, Wassana in G10/48, Nong Yao in G11/48 and Bangora in Block 9 – provide cash flow with which we plan to develop our discoveries. Our development portfolio comprises the Apsara oil field in Cambodia Block A, the Wassana satellite oil accumulation, the Rossukon oil field in G6/48, all in the Gulf of Thailand; and the Lengo gas field in the Bulu PSC offshore East Java, in Indonesia.

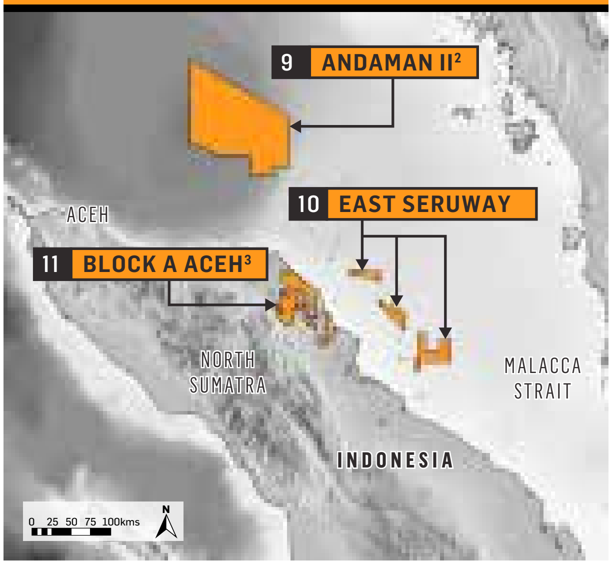
GULF OF THAILAND / OFFSHORE CAMBODIA



MAKASSAR STRAIT

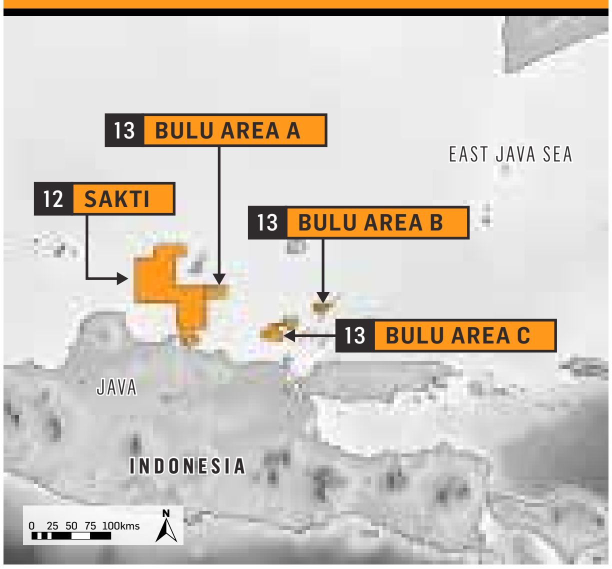


ONSHORE / OFFSHORE SUMATRA

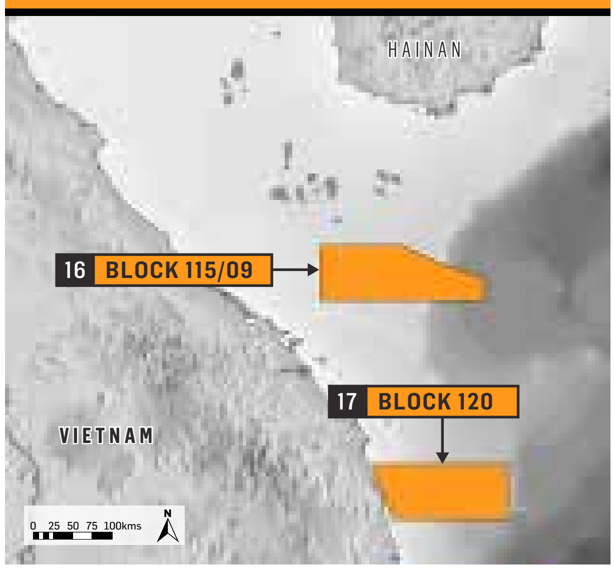


ONSHORE WEST PAPUA

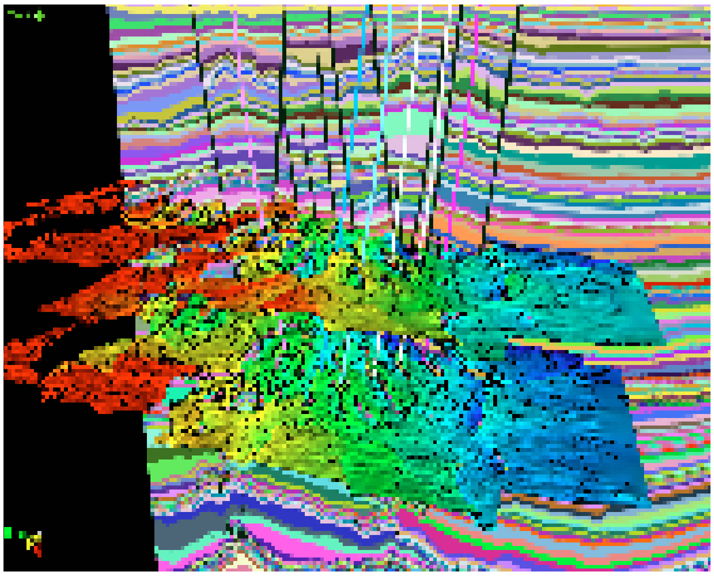
OFFSHORE EAST JAVA



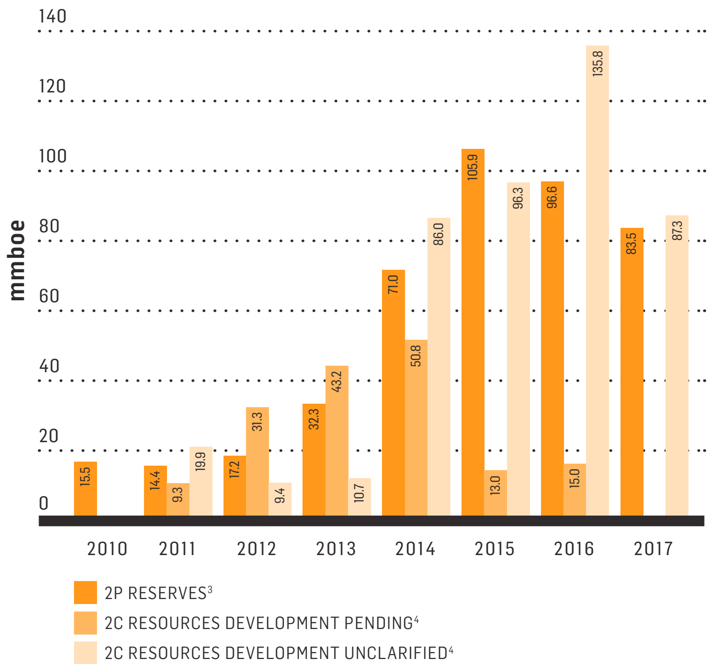
OFFSHORE VIETNAM



TECHNICAL REVIEW



RESERVES & RESOURCES (mmboe)



Operations in 2017 focused on producing assets to maximise production and operational efficiencies as well as progressing development projects.

Infill drilling was undertaken in each of KrisEnergy's operated and non-operated producing assets in Bangladesh and the Gulf of Thailand, and the Wassana-4 appraisal and sidetrack well, drilled in March 2018, encountered sufficient net oil pay to indicate a viable commercial satellite development in the G10/48 licence.

CONSTANT SAFETY REVIEW

The Group recorded 1,587,181 man-hours on its operated assets in 2017 with zero LTIs as we continue to strive to implement best practice policies for EHSS across the organisation. In March 2018, after 1,014 working days without an LTI, one offshore personnel received an injury requiring hospital treatment during a regular maintenance procedure. The incident was immediately reported to our partner and the government regulatory body. A full investigation is underway and all necessary measures will be implemented as soon as possible to mitigate against further such incidents. The injured party was treated and is expected to return to work on the next crew change rotation.

The Company maintained its OSHAS 18001 and ISO 14001 accreditation for offices in Dhaka in Bangladesh, Jakarta in Indonesia and Singapore, as well as the Bangora gas field operations in Block 9, onshore Bangladesh. Work is underway to extend these accreditations to KrisEnergy-operated fields in the Gulf of Thailand.

RATIONALISATION

Three KrisEnergy-operated assets were relinquished – the Kutai and East Muriah PSCs offshore Indonesia and Block 105-110/04 offshore Vietnam – following a review of non-core assets.

In addition, KrisEnergy farmed down its working interest in the non-operated Block A Aceh PSC, onshore North Sumatra in Indonesia, from 41.6666% to residual 15.0%. Subsequently, the Company decided in the fourth quarter 2017 to cease participation in the Block A Aceh gas development to refocus the Group's activities and capital resources to producing assets and operated development projects in the Gulf of Thailand. The Company is awaiting approval from the Government of Indonesia for the takeover of its entire 15.0% working interest.

RESERVES & RESOURCES

Working interest proved plus probable ("2P") reserves were estimated by Netherland, Sewell & Associates, Inc. ("NSAI") at 83.5 million barrels of oil equivalent ("mmboe") as at 31 December 2017 versus 96.6 mmboe as at 31 December 2016. The majority of the decline – 18.4 mmboe – resulted from the farm down of working interest in the Block A Aceh PSC.

The reduction was partially offset by a reclassification to 2P reserves of 8.1 million barrels of oil ("mmbo") from contingent resources associated with Phase 1A of the Apsara oil development in Cambodia Block A. The reclassification was a result of the signing in August 2017 of the amended and restated petroleum agreement for Cambodia Block A and the production permit for the Apsara development.

Minor reductions amounting to an aggregate 4.2 mmboe were recorded at the B8/32 oil and gas fields in the Gulf of Thailand and the Bangora gas field in Block 9, onshore Bangladesh, while there were gains totalling 1.4 mmboe related to well performance and future drilling plans for the Wassana and Nong Yao oil fields in G10/48 and G11/48, respectively, in the Gulf of Thailand.

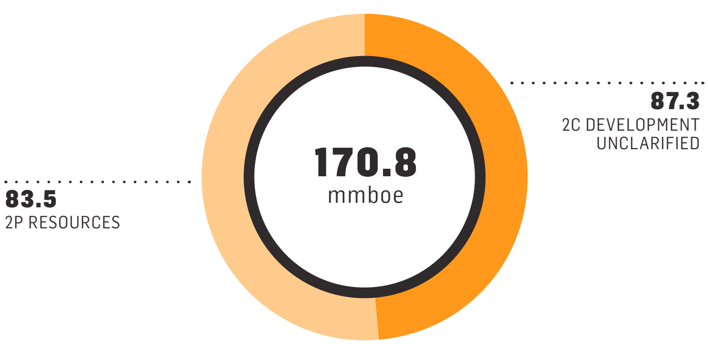
NSAI recognised best estimate contingent ("2C") resources of 87.3 mmboe as at 31 December 2017 versus 150.8 mmboe as at 31 December 2016. The entire 2C resource portfolio is categorised as development unclarified following reductions in the 2C development pending resources associated with the movement of Cambodia Block A 2C resources to 2P reserves, the reduced working interest in the Block A Aceh PSC (48.0 mmboe) and the relinquishment of the Kutai PSC in Indonesia (6.9 mmboe).

Future downward adjustments will be made to the Group's 2P reserves and 2C resources once approval is granted for the takeover of KrisEnergy's residual working interest in Block A Aceh amounting to 9.5 mmboe of 2P reserves and 27.9 mmboe of 2C resources.

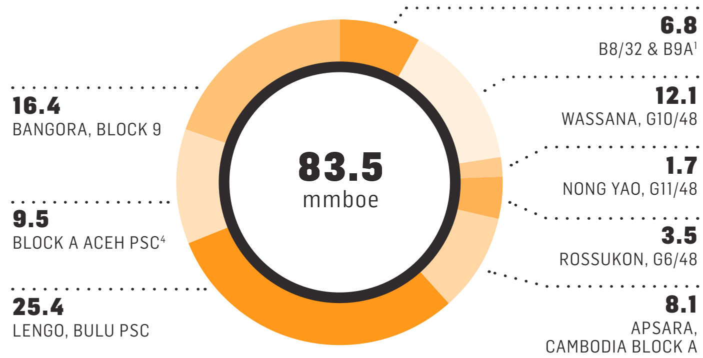
RESERVES & RESOURCES

ALL VOLUMES ARE ESTIMATED BY NSAI AS AT 31 DECEMBER 2017. NUMBERS MAY NOT ADD UP DUE TO ROUNDING.

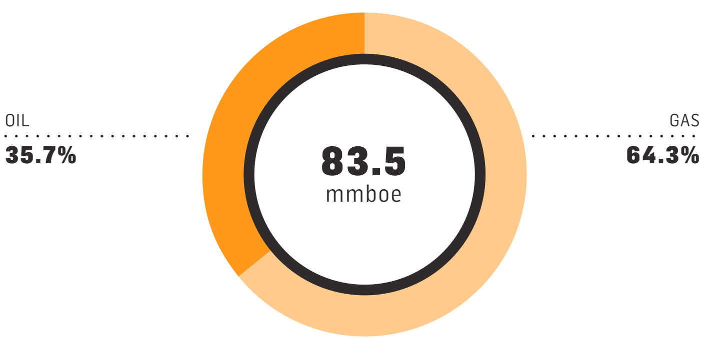
TOTAL 2P RESERVES & 2C RESOURCES (mmboe)



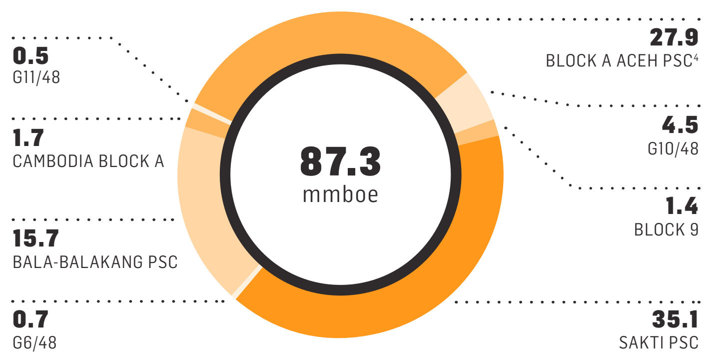
PRODUCTION/NEAR PRODUCTION 2P RESERVES (mmboe)



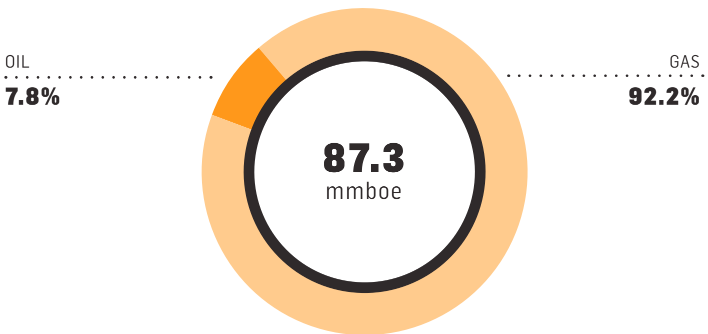
2P RESERVES OIL VS GAS



DEVELOPMENT UNCLARIFIED 2C RESOURCES (mmboe)



2C RESOURCES OIL VS GAS



NOTES:

1 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished
2 2P reserves refer to proved plus probable reserves and 2C resources refer to best estimate contingent resources in accordance with the definitions and guidelines of the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers
3 Development pending refers to a discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future. Development unclarified refers to a discovered accumulation where project activities are on hold and / or where justification as a commercial development may be subject to significant delay
4 KrisEnergy has ceased participation in the Block A Aceh PSC and is awaiting Government of Indonesia approval for the takeover of its residual 15.0% working interest

PRODUCTION & INFILL DRILLING

Natural decline at producing assets and mechanical issues at several existing deviated wells in the Wassana field impacted Group working interest production, which averaged 12,745 boepd in 2017 compared with 16,136 boepd in 2016.

BLOCK 9, BANGORA

One new infill well was completed and brought online in January 2017 at the KrisEnergy-operated Bangora gas field onshore Bangladesh, maintaining the annual average gross production rate above 95 million cubic feet per day ("mmcfd") and 280 barrels of condensate per day. The Company's working interest share of production was 4,908 boepd.

G10/48, WASSANA

Gross production in the KrisEnergy-operated Wassana oil field averaged 4,377 bopd in 2017 and the Company's working interest share of production averaged 3,896 bopd.

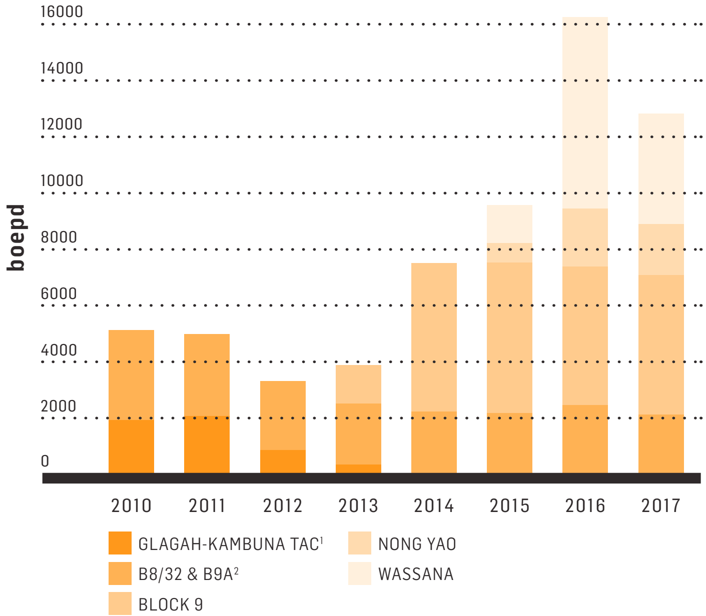
Additional liquid handling facilities were installed on the mobile offshore production unit to debottleneck the water separation process, which will allow 30,000 barrels of produced water to be injected per day. A three-day shutdown occurred in July 2017 for commissioning of the equipment.

The *PV Drilling I* jack-up rig commenced infill drilling in the Wassana field in November 2017 following the completion of the East Mayura-1 exploration well in G10/48 in October 2017 (see section ***Exploration***). The infill program included the sidetracking of three existing deviated wells plus three horizontal wells from new locations. The wells encountered net oil pay in the range of 315 feet measured depth ("MD") and 1,518 feet MD.

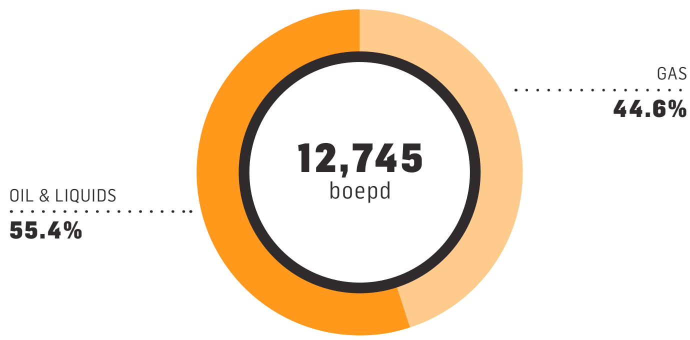
WELL NAME	TOTAL DEPTH MD (FEET)	TOTAL VERTICAL DEPTH SUBSEA ("TVDSS") (FEET)
A-18H	7,912	-4,864
A-19H	9,328	-5,211
A-20H	10,848	-5,283
A-22H	7,830	-5,194
A-23H	10,084	-5,295
A-25H	7,528	-5,184

Drilling operations were completed and all six wells were brought online between December 2017 and February 2018 providing an uplift in production of approximately 1,300 bopd to around 5,500 bopd. Wassana production is expected to reach approximately 6,000 to 7,000 bopd once flow rates are optimised.

PRODUCTION PROFILE



1 The Kambuna gas field in the Glagah-Kambuna Technical Assistance Contract ceased production in July 2013
2 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished



G11/48, NONG YAO

Gross production in the non-operated Nong Yao oil field averaged 8,613 bopd in 2017 and the Company's working interest share of production averaged 1,938 bopd.

The *Atwood Orca* jack-up rig commenced an infill drilling program in the second quarter of 2017. Three of the wells were brought online at the end June 2017 and a fourth well went into production in October 2017. Two additional wells were drilled and cased ready to produce at a later date.

An additional four infill wells commenced drilling in February 2018.

The Thai authorities approved in March 2017 the second relinquishment of G11/48, reducing the licence area to 992 sq. km from 1,056 sq. km.

B8/32 & B9A, GULF OF THAILAND

Gross production in the non-operated B8/32 & B9A fields averaged 24,767 bopd and 110.7 mmcfd. KrisEnergy's working interest share of production averaged 2,003 boepd.

Eleven infill wells were drilled in the B8/32 producing area in 2017 maintaining production at flat rates despite natural decline. Preliminary plans indicate up to 19 infill wells are scheduled to be drilled in 2018.

The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished.

The Thai authorities signed a 10-year Supplementary Concession Agreement extending the production period for the B8/32 concession to 2030.

DEVELOPMENT

KrisEnergy is the operator of three oil development projects in Thai and Cambodian waters in the Gulf of Thailand and a gas development in the East Java Sea in Indonesia.

CAMBODIA BLOCK A

The amended and restated petroleum agreement for Cambodia Block A and the production permit for the Apsara oil development were signed on 23 August 2017 between KrisEnergy, the Cambodian Ministry of Mines and Energy and the Ministry of Economics and Finance.

The agreements triggered the second relinquishment phase of the concession, whereby approximately 25.0% of the Cambodia Block A area, was returned to the authorities leaving 3,083 sq. km over the Khmer Basin in the Gulf of Thailand where water depths range between 50 metres and 80 metres.

KrisEnergy, the operator of the Cambodia Block A since 2014, plans to develop the Apsara area in the north-eastern section of the concession, which is one of seven geological trends in the licence where there is potential for oil and/or gas to be trapped.

Phase 1A of the Apsara development consists of a single unmanned minimum facility 24-slot wellhead platform producing to a moored production barge capable of processing up to 30,000 barrels of fluid per day with gas, oil and water separation facilities on the vessel. The oil will be sent via a 1.5 km pipeline for storage to a permanently moored floating, storage and offloading vessel.

The Company announced final investment decision in October 2017 with a commitment to produce first oil in 24 months.

A 1,200 sq. km 3D seismic acquisition program is planned for 2018: 1,000 sq. km over a large prospective area in the southwest part of Cambodia Block A, which has been sparsely explored by old 2D seismic lines and to improve data quality over the prospective trend in the western section of the contract area where several discoveries have been made. An additional 200 sq. km of 3D data is intended to be acquired over the Apsara oil development area to improve data quality, especially imaging of faults and sand bodies, to finalise the design of the development well trajectories.

G10/48, WASSANA NORTH SATELLITE

In March 2018, the *PV Drilling I* jack-up rig commenced drilling of the Wassana-4 appraisal well to the north of the existing Wassana production facilities.

Wassana-4 reached a total depth at 5,714 feet MD (-5,518 feet TVDSS) and encountered net vertical oil pay of 31 feet true vertical thickness (“TVT”). The well was sidetracked, Wassana-4ST, to a total depth 5,587 feet MD (-5,462 feet TVDSS) and encountered 66 feet TVT of net oil pay.

Preliminary results indicate that the volumes in place, together with volumes from previous wells, would justify commercial development of the Wassana North Satellite tied back to the existing Wassana facilities.

G6/48, ROSSUKON

Subsurface evaluations and geophysical mapping of sandstone reservoirs continued in preparation for the development of the Rossukon oil field. A geotechnical survey of two exploration locations – Maratee and Bussaba – in the G6/48 Reservation Area was completed in December 2017.

BULU PSC, LENGO

Development activities for the Lengo gas field were deferred throughout 2017 as a result of protracted gas sales negotiations. We have been encouraged so far in 2018 by the progress made with the Indonesian authorities and we intend to pursue our discussions with the intention to reach an agreement on gas sales in 2018/2019.

EXPLORATION

Discretionary expenditure on exploration activities was largely curtailed in 2017 although technical work continued to map prospects and leads within the portfolio to prepare for future exploration drilling when opportunities present.

G10/48

The *PV Drilling I* jack-up rig commenced drilling of the East Mayura-1 exploration well in October 2017 ahead of the Wassana oil field infill drilling campaign. The well reached a total depth of 7,125 feet MD (-7,013 feet TVDSS). Oil shows were encountered between 6,580 feet and 6,620 feet MD and 6,700 feet and 6,760 feet MD. The well was plugged and abandoned.

ANDAMAN II, MALACCA STRAIT

The Indonesian authorities awarded the Andaman II joint study area exploration block in January 2018 to operator Premier Oil (40.0%), KrisEnergy (30.0%), Mubadala Petroleum (30.0%). The signing of the PSC is expected in the first half of 2018. The Andaman II PSC is an exploration block over the North Sumatra Basin, offshore North Sumtra, covering an area of 7,400 sq. km in water depths ranging from 200 metres to 1,950 metres.

BALA-BALAKANG PSC, MAKASSAR STRAIT

In September 2017, the Indonesian authorities approved the second relinquishment for the Bala-Balakang PSC, reducing the contract area to 838 sq. km from 3,143 sq. km.

SAKTI PSC, EAST JAVA SEA

In August 2017, the Indonesian authorities approved the first relinquishment for the Sakti PSC, reducing the contract area to 3,719 sq. km from 4,974 sq. km.

James Parkin	**Tim Kelly**	**Brian Helyer**
VP Exploration	VP Engineering	VP Operations

1 April 2018

RESERVES

	1P RESERVES			2P RESERVES			3P RESERVES			
	GROSS	WORKING INTEREST		GROSS	WORKING INTEREST		GROSS	WORKING INTEREST		REMARKS
	(mmbbl[1])	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	
OIL										
BANGLADESH										
BLOCK 9	0.60	0.18	7	0.81	0.24	(14)	1.03	0.31	(5)	
CAMBODIA										
BLOCK A	-	-	-	8.54	8.11	100	14.95	14.21	100	Following FID, reclassified from 2C to 2P
INDONESIA										
BLOCK A ACEH PSC[3]	3.51	0.53	(69)	5.11	0.77	(64)	6.44	0.97	(64)	Farm-out of 26.6666% working interest
THAILAND										
B8/32 & B9A[4]	7.47	0.35	(48)	72.72	3.37	(24)	88.06	4.08	(24)	
G6/48	–	–	–	11.70	3.51	–	15.80	4.74	–	
G10/48	8.53	7.59	100	13.60	12.10	11	16.16	14.38	(2)	
G11/48	5.25	1.18	12	7.58	1.70	12	9.56	2.15	7	
	(bcf[2])	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	
GAS										
BANGLADESH										
BLOCK 9	208.42	62.52	6	323.42	97.03	(13)	411.14	123.34	(5)	
INDONESIA										
BLOCK A ACEH PSC[3]	253.08	37.96	(73)	350.45	52.57	(66)	357.53	53.63	(66)	Farm-out of 26.6666% working interest
BULU PSC	–	–	–	358.55	152.38	–	419.60	178.33	–	
THAILAND										
B8/32 & B9A[4]	31.94	1.48	(58)	438.28	20.31	(18)	546.06	25.31	(19)	

The following reserves and contingent resources tables have been extracted from the qualified person's report dated 31 December 2017 ("QPR"), as prepared by the independent qualified person, NSAI (Texas Board of Professional Engineers Registration No. F-2699). Mr. Scott Frost of NSAI is a Licensed Professional Engineer in the State of Texas (No. 88738) and a member of the Society of Petroleum Engineers and Mr. Allen Evans of NSAI is a Licensed Professional Geoscientist in the State of Texas, Geology (No. 1286) and a member of the American Association of Petroleum Geologists. Please also refer to the Appendix of this Annual Report for the executive summary of the QPR. The full QPR is available for inspection at our Singapore office during working hours by shareholders whose names appear in the CDP Registry or our Register of Members. Shareholders who wish to inspect the full QPR should write to KrisEnergy Ltd., 83 Clemenceau Avenue, #10-05 UE Square, Singapore 239920 to request an appointment.

Reserves are quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development project(s) applied.

Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterised by development and production status:

Proved reserves ("1P") are quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If probabilistic methods are used, there should be at least a 90.0% probability that the quantities actually recovered will equal or exceed the estimate.

Probable reserves (together with 1P, "2P") are additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than 1P reserves but more certain to be recovered than possible reserves. When probabilistic methods are used, there should be at least a 50.0% probability that the actual quantities recovered will equal or exceed the 2P estimate.

Possible reserves (together with 1P and 2P, "3P") are additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than probable reserves. When probabilistic methods are used, there should be at least a 10.0% probability that the actual quantities recovered will equal or exceed the 3P estimate.

CONTINGENT RESOURCES

	1C RESOURCES			2C RESOURCES			3C RESOURCES			
	GROSS	WORKING INTEREST		GROSS	WORKING INTEREST		GROSS	WORKING INTEREST		REMARKS
	(mmbbl[1])	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	
OIL										
BANGLADESH										
BLOCK 9	0.02	0.01	–	0.11	0.03	–	0.54	0.16	–	
CAMBODIA										
BLOCK A	0.91	0.86	-	1.73	1.65	(83)	3.13	2.97	(83)	Reclassification of 2C resources to 2P reserves
INDONESIA										
BLOCK A ACEH PSC[3]	0.99	0.15	-	1.03	0.16	(59)	2.50	0.37	(64)	Farm-out of 26.6666% working interest
THAILAND										
G10/48	3.15	2.80	-	5.04	4.48	-	8.54	7.60	-	
G11/48	1.52	0.34	36	2.14	0.48	30	22.82	5.13	2	

	(bcf[2])	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	
GAS										
BANGLADESH										
BLOCK 9	6.08	1.82	–	27.68	8.31	–	128.95	38.69	–	
INDONESIA										
BALA-BALAKANG PSC	–	–	–	110.51	93.93	–	155.81	132.44	–	
BLOCK A ACEH PSC[3]	857.29	128.59	(60)	1,107.92	166.19	(63)	1,612.65	241.90	(64)	Farm-out of 26.6666% working interest
SAKTI PSC	37.24	35.37	-	221.52	210.45	-	425.36	404.10	-	
THAILAND										
G6/48	11.48	3.44	–	13.24	3.97	–	15.37	4.61	–	

Contingent resources are quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.

In the "low estimate" scenario of contingent resources ("1C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 90.0%.

In the "best estimate" scenario of contingent resources (together with 1C, "2C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 50.0%.

In the "high estimate" scenario of contingent resources (together with 1C and 2C, "3C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 10.0%.

Contingent resources are classified as development pending when there is a discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future. The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g. drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan.

Contingent resources are classified as development unclarified when there is a discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay. The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal and/or evaluation activities are required to clarify the potential for eventual commercial development.

NOTES:

1 mmbbl refers to millions of barrels
2 bcf refers to billions of cubic feet
3 KrisEnergy has ceased participation In the Block A Aceh PSC and Is awaiting Government of Indonesia approval for the takeover of its 15.0% residual working Interest
4 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished

GROUP OVERVIEW

BOARD OF DIRECTORS AS AT 1 APRIL 2018

Tan Ek Kia (69) | INDEPENDENT NON-EXECUTIVE CHAIRMAN

Bachelor of Science Mechanical Engineering (First Class Honours), Nottingham University; Management Development Programme, International Institute for Management Development, Lausanne, Switzerland; Fellow of the Institute of Engineers, Malaysia; Chartered Engineer of Engineering Council U.K.; Member of Institute of Mechanical Engineers U.K.

DATE OF FIRST APPOINTMENT AS DIRECTOR: 11 January 2013 **LENGTH OF SERVICE AS A DIRECTOR:** 5 years 2 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Audit Committee (Member); Nominating Committee (Chairman); Executive Committee (Chairman) **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: Keppel Corporation Ltd; KrisEnergy Ltd.; PT Chandra Asri Petrochemical Tbk; Transocean Ltd OTHER PRINCIPAL DIRECTORSHIPS: SMRT Corporation Ltd; Dialog Systems (Asia) Pte Ltd; Keppel Offshore and Marine Ltd; Star Energy Group Holdings Pte Ltd (Chairman); Singapore LNG Corporation Pte Ltd **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** Nil **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** City Gas Pte Ltd (Chairman), CitySpring Infrastructure Management Pte Ltd **OTHERS:** Former Vice President (Ventures and Developments) of Shell Chemicals, Asia Pacific and Middle East region (based in Singapore); Former Chairman, Shell companies in North East Asia (based in Beijing); Former Managing Director, Shell Malaysia Exploration and Production

Kelvin Tang (43) | EXECUTIVE DIRECTOR, CHIEF EXECUTIVE OFFICER AND PRESIDENT, CAMBODIA

Bachelor of Laws, National University of Singapore; Advocate and Solicitor, Supreme Court of Singapore; Member of the Association of International Petroleum Negotiators

DATE OF FIRST APPOINTMENT AS DIRECTOR: 9 November 2017 **LENGTH OF SERVICE AS A DIRECTOR:** 4 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Executive Committee (Member) **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: KrisEnergy Ltd. OTHER PRINCIPAL DIRECTORSHIPS: B Block Ltd; KrisEnergy (Aspara) Ltd; KrisEnergy (Asia) Ltd; KrisEnergy (Cambodia) Holding Ltd; KrisEnergy (Cambodia) Ltd; KrisEnergy (East Muriah) Ltd; KrisEnergy (Gulf of Thailand) Ltd; KrisEnergy (Phu Khanh 120) Ltd; KrisEnergy (Vietnam 115) Ltd; KrisEnergy (Satria) Ltd; KrisEnergy (Song Hong 105) Ltd; KrisEnergy Holding Company Ltd; KrisEnergy International (Thailand) Holdings Ltd; KrisEnergy Management Ltd; KrisEnergy (Management Services) Ltd; KrisEnergy Oil & Gas (Thailand) Ltd; KrisEnergy Pt Ltd; SJ Production Barge Ltd; KrisEnergy (Bangladesh) SS-11 Ltd; KrisEnergy G10 (Thailand) Ltd; KrisEnergy Management Ltd; KrisEnergy Asia Coöperatief U.A.; KrisEnergy Asia Holdings B.V.; KrisEnergy Netherlands Pte Ltd; Nong Yao G11 (Thailand) Ltd; Komodo (B.V.I.) Ltd **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** Nil **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** KrisEnergy (Ageng) B.V.; KrisEnergy (Andaman Timur) B.V.; KrisEnergy (Nemo) B.V.; KrisEnergy (Sakti) B.V.; KrisEnergy (Tanjung Aru) B.V.; KrisEnergy (Udan Emas) B.V.; KrisEnergy East Seruway B.V.; KrisEnergy Glagah-Kambuna B.V.; KrisEnergy (Andaman II) B.V.; KrisEnergy Kutai B.V.; KrisEnergy Kutei B.V.; KrisEnergy (Bangora) B.V. **OTHERS:** Nil

Kiran Raj (45) | ALTERNATE EXECUTIVE DIRECTOR (TO KELVIN TANG), CHIEF FINANCIAL OFFICER AND VICE-PRESIDENT FINANCE AND ADMINISTRATION

Bachelor of Commerce, Monash University; Chartered Accountant, Chartered Accountants Australia and New Zealand

DATE OF FIRST APPOINTMENT AS DIRECTOR: 9 November 2017 **LENGTH OF SERVICE AS A DIRECTOR:** 4 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Nil **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: KrisEnergy Ltd. OTHER PRINCIPAL DIRECTORSHIPS: B Block Ltd; KrisEnergy (Aspara) Ltd; KrisEnergy (Asia) Ltd; KrisEnergy (Cambodia) Holding Ltd; KrisEnergy (East Muriah) Ltd; KrisEnergy (Gulf of Thailand) Ltd; KrisEnergy (Phu Khanh 120) Ltd; KrisEnergy (Vietnam 115) Ltd; KrisEnergy (Satria) Ltd; KrisEnergy (Song Hong 105) Ltd; KrisEnergy Holding Company Ltd; KrisEnergy International (Thailand) Holdings Ltd; KrisEnergy Management Ltd; KrisEnergy (Management Services) Ltd; KrisEnergy Pt Ltd; KrisEnergy Marine Pte Ltd; SJ Production Barge Ltd; KrisEnergy (Bangladesh) SS-11 Ltd; KrisEnergy Asia Coöperatief U.A.; KrisEnergy Asia Holdings B.V.; KrisEnergy Netherlands Pte Ltd; KrisEnergy Glagah Kambuna B.V.; KrisEnergy (Marine) B.V.; KrisEnergy Kutai B.V.; KrisEnergy Kutei B.V.; KrisEnergy (Andaman II) B.V.; KrisEnergy East Seruway B.V.; KrisEnergy (Bala-Balakang) B.V.; KrisEnergy (Andaman Timur) B.V.; KrisEnergy (Ampuh) B.V.; KrisEnergy (Nemo) B.V.; KrisEnergy (Sakti) B.V.; KrisEnergy (Udan Emas) B.V.; KrisEnergy Bangladesh Ltd; KrisEnergy (Block A Aceh) B.V.; Nong Yao G11 (Thailand) Ltd **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** Nil **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** KrisEnergy Management Ltd; KrisEnergy G10 (Thailand) Ltd; Brighton Capital Advisors Pte Ltd **OTHERS:** Nil

Chan Hon Chew (53) | NON-EXECUTIVE DIRECTOR

Bachelor of Accountancy (Honours); Chartered Financial Analyst, Chartered Accountants Australia and New Zealand and Fellow Member of the Institute of the Singapore Chartered Accountants

DATE OF FIRST APPOINTMENT AS DIRECTOR: 17 March 2016 **LENGTH OF SERVICE AS A DIRECTOR:** 1 year 11 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Remuneration Committee (member); Executive Committee (member) **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: Keppel Telecommunications & Transportation Ltd. OTHER PRINCIPAL DIRECTORSHIPS: Keppel Offshore & Marine Ltd, Keppel Land Ltd, Keppel Infrastructure Holdings Pte Ltd, Keppel Capital Holdings Pte Ltd **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** Chairman of Keppel DCREIT Management Pte Ltd (Manager of Keppel DC Reit); Chief Financial Officer of Keppel Corporation Limited; Board of the Accounting Standard Council; Management board of the Institute of System Science, National University of Singapore **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** Tiger Airways Holdings Limited, Singapore Aviation & General Insurance Company (Pte) Ltd and RCMS Properties Private Limited **OTHERS:** Nil

Chris Ong Leng Yeow (44) | NON-EXECUTIVE DIRECTOR

Bachelor Degree in Electrical and Electronics Engineering and Master degree in Electrical and Electronics Engineering, National University of Singapore; Chartered Engineer; Fellow of the Institute of Marine Engineering, Science and Technology; Member of the American Bureau of Shipping; Member of the DNV GL South East Asia and Pacific Committee

DATE OF FIRST APPOINTMENT AS DIRECTOR: 5 January 2018 **LENGTH OF SERVICE AS A DIRECTOR:** 2 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Executive Committee (Member) **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: KrisEnergy Ltd. OTHER PRINCIPAL DIRECTORSHIPS: Bennett Offshore LLC; FELS Offshore Pte Ltd; Green Scan Pte Ltd; Keppel Amfels LLC; Keppel FELS Limited; Keppel LeTourneau Middle East FZE; Keppel LeTourneau Singapore Pte Ltd; Keppel LeTourneau USA Inc; Keppel Nantong Heavy Industry Co Ltd; Keppel Nantong Shipyard Co Ltd; Keppel Offshore & Marine Technology Centre Pte Ltd; Keppel Sea Scan Pte Ltd; Keppel Shipyard Limited; Offshore Technology Development Pte Ltd; Northstar Investments Pte. Ltd; Deepwater Technology Group Pte Ltd; Keppel Singmarine Pte Ltd; Caspian Shipyard Company LLC; Seafox 5 Limited; Regency Steel Japan Limited; Antares Singapore Pte Ltd; Keppel SLP LLC; FELS Asset Co Pte Ltd; AzerFELS Pte Ltd; Benniway Pte Ltd; Asian Lift Pte Ltd; Keppel Offshore & Marine Ltd; Gas Technology Development Pte Ltd; Marine Technology Development Pte Ltd; Keppel FELS Brasil S.A.; FueLNG Pte Ltd; Ocean Mineral Singapore Pte Ltd; Ocean Mineral Singapore Holding Pte Ltd; Keppel Technology and Innovation Pte Ltd; Keppel Walvis Bay Offshore and Marine (Pty) Ltd **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** Chief Executive Officer of Keppel Offshore & Marine Ltd; Managing Director of Keppel FELS Limited **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** Mod Prefab Private Limited; Bintan Offshore Fabricators Pte Ltd; Keppel FEL Engineering Shenzhen Co Ltd; Keppel Offshore and Marine Engineering Services Mumbai Pvt Ltd; PT Bintan Offshore; Keppel FELS Baltech OOD; Keppel FELS Engineering Wu Han Co. Ltd **OTHERS:** Former Assistant Section Manager, Section Manager, Deputy Engineering Manager, Assistant General Manager (Engineering), General Manager (Engineering), Acting Executive Director (Operations), Executive Director (Commercial) and Deputy Managing Director of Keppel FELS Limited

John Koh (62) | NON-EXECUTIVE INDEPENDENT DIRECTOR

Bachelor of Arts and Master of Arts, University of Cambridge; Master of Law, Harvard Law School

DATE OF FIRST APPOINTMENT AS DIRECTOR: 11 January 2013 **LENGTH OF SERVICE AS A DIRECTOR:** 5 years 2 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Audit Committee (Chairman); Nominating Committee (Member); Executive Committee (Member) **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: KrisEnergy Ltd.; NSL Ltd; Mapletree Industrial Trust OTHER PRINCIPAL DIRECTORSHIPS: BMH Management Pte Ltd; Brandmine Properties Ltd;. Mapletree Industrial Fund Ltd; Mapletree Industrial Trust Management Ltd (as Trustee-Manager of Mapletree Industrial Trust); National Library Board; Worldwide Books Corporation **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** Nil **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** Arbutus International Ltd; China Lumena New Materials Corp; Easy Capital Ltd; Mandra Forestry Finance Ltd; Mandra Forestry Holdings Ltd; Mission Impossible International Ltd; Straits Capital Investments Ltd; School of the Arts; Genphar, Inc; **OTHERS:** Former Managing Director and Senior Advisor of the Goldman Sachs Group; Former Deputy Public Prosecutor in the Singapore Attorney-General's Chambers; Former Deputy Director of the Commercial Affairs Department in the Ministry of Finance

Duane Radtke (69) | NON-EXECUTIVE INDEPENDENT DIRECTOR

Bachelor Degree in Mining Engineering, University of Wisconsin

DATE OF FIRST APPOINTMENT AS DIRECTOR: 1 September 2010 **LENGTH OF SERVICE AS A DIRECTOR:** 7 years 6 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Nominating Committee (Member); Remuneration Committee (Chairman) **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: Devon Energy Corporation; KrisEnergy Ltd. **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** President and Chief Executive Officer of Valiant Exploration LLC **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** Sabine Oil & Gas Corporation **OTHERS:** Former President of Devon International Corporation; Former President and Chief Executive Officer of Dominion Exploration and Production

Alan Nisbet (67) | NON-EXECUTIVE INDEPENDENT DIRECTOR

Member of the Institute of Certified Public Accountants of Singapore (ICPAS)

DATE OF FIRST APPOINTMENT AS DIRECTOR: 13 May 2014 **LENGTH OF SERVICE AS A DIRECTOR:** 3 years 10 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Audit Committee (Member); Remuneration Committee (Member) **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: KrisEnergy Ltd.; Halcyon Agri Corporation Ltd; Keppel REIT Management Limited OTHER PRINCIPAL DIRECTORSHIPS: Standard Chartered Bank (Singapore) Ltd; Ascendas Property Fund Trustee Pte Ltd; RF Brussels Pte. Limited; RF Capital (Advisory) Pte. Limited; RF Capital (Credit) Pte. Limited; RF Capital (Empirica) Pte. Limited; RF Capital (Private Equity) Pte. Limited; RF Capital (Real Estate) Pte. Limited; RF Capital (Services) Pte. Limited; RF Capital Pte. Limited; RF ECP Pte. Limited; RF Holdings Pte. Limited; Roberts Constructions Pte. Limited; Roberts Investments Holdings Pte. Limited; Robert Investments Pte. Limited; RF Corval REFM Pte. Ltd **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** Nil **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** Ascendas Pte Ltd; Deloitte & Touche Management Services Pte Ltd; Deloitte Consulting SEA Pte Ltd **OTHERS:** Former Partner and Audit Leader in Deloitte & Touche LLP, Singapore

Keith Pringle (59) | NON-EXECUTIVE INDEPENDENT DIRECTOR

Bachelor of Science (Hons) in Geology from Edinburgh University; Master of Science in Petroleum Engineering from Strathclyde University

DATE OF FIRST APPOINTMENT AS DIRECTOR: 13 May 2014 **LENGTH OF SERVICE AS A DIRECTOR:** 3 years 10 months **KRISENERGY BOARD COMMITTEE(S) SERVED ON:** Audit Committee (Member); Remuneration Committee (Member) **PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2017):** LISTED COMPANIES: KrisEnergy Ltd. OTHER PRINCIPAL DIRECTORSHIPS: Nil **MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS):** Nil **PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017):** Remora Energy; Delta Energy Ltd; KrisEnergy Ltd. **OTHERS:** Former Independent Technical Advisor to KrisEnergy Ltd.

MANAGEMENT TEAM AS AT 1 APRIL 2018

Sally Ting (41) | GENERAL COUNSEL

Ms. Ting joined KrisEnergy in 2015 and is responsible for the legal and regulatory functions of the company. She has more than 19 years of legal and oil and gas experience in the Asia-Pacific region.

Ms. Ting started her career at Australian legal firm, Mallesons Stephen Jaques (now King & Wood Mallesons) in 1999 and stayed until 2002. Ms. Ting moved to Singapore in 2002 and joined Coudert Brothers LLP from 2002 until 2005 in their corporate practice. From 2005 until 2007, she was an associate with Milbank Tweed Hadley McCloy in Singapore where she advised on a number of corporate transactions in the oil and gas sector across Southeast Asia. In 2007, Ms. Ting joined Salamander Energy (now Ophir Energy) as Regional Counsel where she was responsible for the legal and regulatory function of the company in the SE Asian region.

Ms. Ting holds a Bachelor of Science degree and a Bachelor of Laws degree (First Class Honours and University Medal) from the University of Queensland. She is also a member of the Association of International Petroleum Negotiators.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

James Parkin (59) | VICE PRESIDENT EXPLORATION

Mr. Parkin has been with KrisEnergy since inception and has more than 36 years of experience in the upstream oil and gas sector, of which he has spent over 29 years in Southeast Asia. Prior to KrisEnergy, Mr. Parkin was Vice President Exploration from 2003 until 2009 and acting Regional Vice President, Southeast Asia from 2008 until 2009 for Pearl Energy.

He began his career in 1979 as a Mudlogger and was later a Wellsite Geologist with Exploration Logging International. From 1986 until 1990, he worked at British Gas as an Operations Geologist. In 1990, Mr. Parkin moved to Indonesia and worked as a Senior Geologist for Petromer Trend until 1993 and later became a Senior Exploration Geologist for Union Texas Petroleum until 1997 and Far East Exploration Co. Ltd. until 1998. From 1998 until 2003, Mr. Parkin was a Senior Geologist and then Team Leader East Java at Gulf Indonesia/Conoco/ConocoPhillips.

Mr. Parkin holds a Bachelor of Science (Hons) in Geology from the University of Sheffield and a Master of Science in Petroleum Geology from the Imperial College of Science and Technology, University of London. Mr. Parkin is a member of the South East Asia Petroleum Exploration Society, Indonesian Petroleum Association, Petroleum Exploration Society of Great Britain and Geological Society, UK.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

Brian Helyer (60) | VICE PRESIDENT OPERATIONS

Mr. Helyer joined KrisEnergy in 2010 and has worked in the offshore oil and gas industry for over 36 years. Mr. Helyer looks after all aspects of project management for facilities construction, operations, maintenance and commissioning for KrisEnergy and is also responsible for the writing and implementation of Environmental Health Safety and Security policy across the Group. Notably, he oversaw progress of the facilities construction and installation at the Wassana oil field, KrisEnergy's first greenfield development to go into production in the Gulf of Thailand. This included the procurement and refurbishment of the MOPU Ingenium. First oil for Wassana was produced 15 months after KrisEnergy took over operatorship of the block in May 2014.

Prior to KrisEnergy, Mr. Helyer was the Project and Operations Director for Songa Floating Production, and was responsible for the conversion and class approval of the floating production, storage and offloading vessel, FPSO East Fortune. Between 2003 and 2007, he worked for Petrofac Energy Developments in various roles such as Production Manager, Business Development Manager and Project Manager in Indonesia, Malaysia, United Kingdom and Tunisia. From 1999 to 2005, Mr. Helyer was Field Operations Manager at the Kakap oil field in the South China Sea for Gulf Resources (Indonesia). He also spent 14 years with Marathon Oil in various roles in the United Kingdom and Indonesia. Mr. Helyer has attained the National Examination Board in Occupational Safety and Health (NEBOSH) professional safety accreditation and is a member of the International Institute of Risk Management (IIRM) and the Institute of Occupational Safety and Health (IOSH).

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

Tim Kelly (58) | VICE PRESIDENT ENGINEERING

Mr. Kelly has more than 36 years of experience in the upstream oil industry with the last 29 years spent in Southeast Asia, during which time he has been involved in the appraisal and development of new fields and the reservoir and production management of mature fields

Mr. Kelly was Corporate Petroleum Engineering Manager for Pearl Energy between 2003 and 2009 in Singapore and was involved in projects in Indonesia, Philippines, Thailand and Vietnam. Between 1989 and 2003, Mr. Kelly was based in Jakarta as Engineering Manager for Marathon Oil, Clyde Petroleum and Gulf Indonesia, and as DST Specialist with ExxonMobil. He began his career in 1981 with Phillips Petroleum as a Drilling & Reservoir Engineer working in the United States and Singapore.

Mr. Kelly holds a Bachelor of Science in Petroleum Engineering from the Colorado School of Mines. He is a member of the Society of Petroleum Engineers and the South East Asia Petroleum Exploration Society.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

Mike Whibley (59) | VICE PRESIDENT TECHNICAL

Mr. Whibley joined KrisEnergy in 2009 and is a geologist with over 38 years of management, operational and interpretive experience in exploration and development projects and new business development. He has been with KrisEnergy since inception, and has been based in Southeast Asia for more than 25 years.

Prior to joining KrisEnergy, Mr. Whibley held senior management and senior technical roles in Singapore with Pearl Energy-Aabar-Mubadala in Singapore between 2006 and 2009, and in Jakarta, Indonesia with Amerada Hess from 2003 until 2006, and Santa Fe Energy-Devon Energy-Petro China between 1998 and 2003, Santos Ltd. from 1997 until 1998, and Apache Corporation from 1993 until 1997.

Mr. Whibley worked in Perth, Australia originally with Phillips Petroleum as a graduate geologist from 1980 until 1983 and later with Bond Energy Resources-Occidental Petroleum-Hadson Energy between 1983 and 1993 as a Senior Explorationist.

Mr. Whibley graduated from the University of Western Australia with a Bachelor of Science (Hons) in Geology and is a member of the Indonesian Petroleum Association, South East Asian Exploration Society and the American Association of Petroleum Geologists.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

Chris Wilson (46) | VICE PRESIDENT COMMERCIAL

Mr. Wilson joined KrisEnergy in 2009 and is a strategist responsible for the origination and execution of corporate and asset acquisitions/divestitures for the Group and in particular, the valuation of new business opportunities. He is also responsible for the Group's crude oil portfolio sales and marketing activities.

Between 2003 and 2009, he was the in-house Financial Advisor for Pearl Energy, working on all aspects of fundraising and acquisition opportunity evaluation, including reserves-based lending facilities, pre-IPO private equity placements, the company's initial public listing in 2005 and all key asset acquisitions.

In 2002, Mr. Wilson was a consultant with the Asian Development Bank. From 1997 until 2001, he was Assistant Vice President in the Project Finance Group of ABN AMRO in Singapore focusing initially on project advisory transactions in the power sector and later moving into lending and advisory in the oil and gas sector. Mr. Wilson began his career in 1995 with Chase Manhattan Bank as a private equity analyst for Chase Capital Partners in Hong Kong before moving to Singapore to take up the role of Assistant Vice President in the Risk Asset Management Group.

Mr. Wilson holds a Bachelor of Arts in International Relations from the John Hopkins University, Baltimore in Maryland and a Master of Arts in China Studies from the Paul H. Nitze School of Advanced International Studies in Washington D.C. in the United States. He is a member of the Association of International Petroleum Negotiators and the South East Asia Petroleum Exploration Society.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Panotech Pte Ltd

Edwin Bowles (64) | GENERAL MANAGER, BANGLADESH

Mr. Bowles joined KrisEnergy in 2014 and is a geologist with more than 36 years of experience in Malaysia, India, Pakistan, UK, Middle East, North Africa and Sub-Saharan Africa. The majority of his career has been spent with British Gas and its overseas subsidiaries.

Key roles which he has held prior to KrisEnergy include Exploration Manager West Africa, General Manager Pakistan and Managing Director of Gujarat Gas Company, India. In 2008, Edwin established RJ Energy, which acts as a strategic advisor to ministries, state oil companies and international oil companies. This followed an extensive assignment with the UK government as an advisor on oil and gas matters where he held key appointments in several energy advisory groups including those for Libya, Morocco, Egypt and Nigeria.

Mr. Bowles holds a Bachelor of Science (Hons) in Geology from Southampton University and a Master of Science, Geology from Imperial College of Science and Technology, University of London. He is a member of the Petroleum Exploration Society of Great Britain, American Association of Petroleum Geologists and the Geological Association.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): RJ Energy Ltd; SAER Ltd

Malin Ros (52) | GENERAL MANAGER, CAMBODIA

Ms. Ros was appointed General Manager of KrisEnergy's Cambodian operations in October 2014 following the company's acquisition of Chevron Cambodia.

Ms. Ros has more than 26 years of experience in the upstream oil and gas industry. She started her career in 1992 as an Administrator in the Cambodian office of Enterprise Oil Exploration, a British exploration and production company.

Ms. Ros took over the role of Office Manager in 1997 and was Enterprise Oil's local representative in Cambodia from 1999 onwards. After Royal Dutch Shell's acquisition of Enterprise Oil in 2002, Ms. Ros joined Chevron Overseas Petroleum (Cambodia) as Country Manager and was responsible for local government relations, operations and community engagement.

Ms. Ros holds a Bachelor of Arts in Economics and a Master of Business Administration from the National University of Management in Phnom Penh, Cambodia.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

Basuki Kusmutarto (56) | GENERAL MANAGER, INDONESIA

Mr. Basuki joined KrisEnergy in July 2010, bringing extensive local knowledge and experience in the upstream sector. He began his career in 1987 as a Consulting Engineer at PT SUCOFINDO, a state-owned inspection, testing and certification company, and later became Vice President of the Mineral Service Division.

In 2003, he joined Pearl Energy as General Manager for its Indonesia operations until 2010.

Mr. Basuki holds a Bachelor of Science in Chemical Engineering from the Bandung Institute of Technology and has an MBA from the Institute Pengembangan Manajemen Indonesia. Mr. Basuki is a member of the Indonesian Petroleum Association.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

Phattarin Jirapojaporn (42) | GENERAL MANAGER, THAILAND

Ms. Jirapojaporn joined KrisEnergy in 2010. She holds an Executive Master of Business Administration from the Sasin Graduate Institute of Business Administration of Chulalongkorn University and started her career in 2001 as a business analyst with Thai Shell Exploration and Production. She later went on to work on contract analysis in procurement and contract management.

Between 2007 and 2009, she was a business analyst for Hess Corporation with a primary focus on oil and gas assets in Thailand. Prior to joining KrisEnergy, she was a senior manager of group financial planning and analysis at Thoresen Thai Agencies Plc, a strategic investment holding company with three primary business groups – Transport, Energy, and Infrastructure.

Ms. Jirapojaporn also holds a Bachelor of Business Administration, Finance & Banking and a Master of Science in Computer Information Systems from Assumption University.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

Giang Nguyen (50) | GENERAL MANAGER AND EXPLORATION MANAGER, VIETNAM

Mr. Giang joined KrisEnergy in 2011. He has more than 20 years of experience in oil and gas exploration in Vietnam. He has been involved in a variety of projects from exploration and development to new business across key oil-and-gas producing basins in Vietnam.

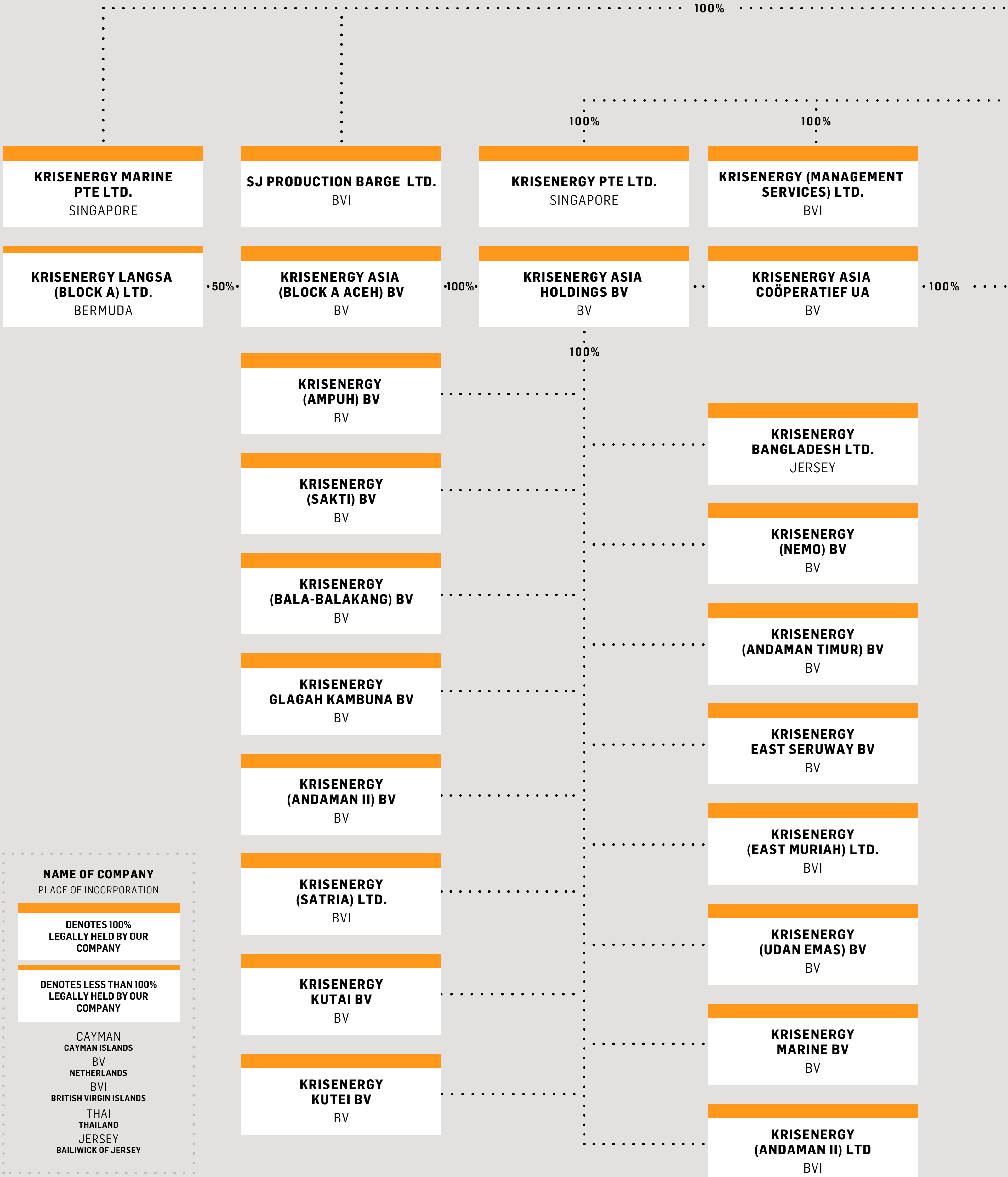
Mr. Giang was Chief Geophysicist for Pearl Energy between 2008 and 2010. Between 2002 and 2008, Mr. Giang was a senior exploration geophysicist under a joint venture with ConocoPhillips Vietnam. He began his career in 1997 as a seismic processor based in Ho Chi Minh City under a joint venture with Petrovietnam and Fairfield Industries Inc. USA.

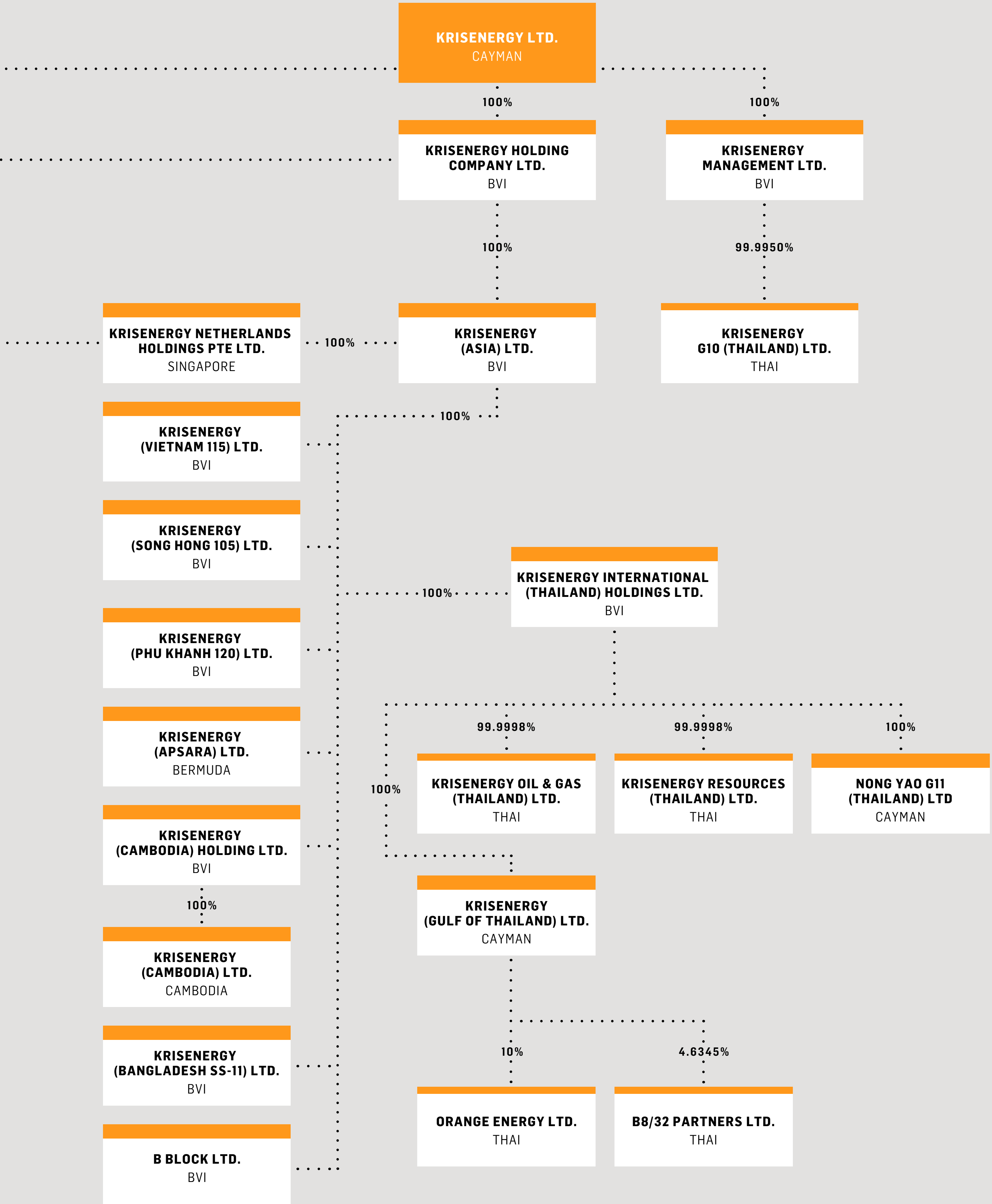
Mr. Giang has a Bachelor of Science in Geophysics from Hanoi University of Geology and Mining and a Master of Science in Applied Petroleum Geology from HCMC University of Technology. Mr. Giang is a member of the Society of Exploration Geophysicists and the South East Asian Exploration Society.

PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2013 TO 31 DECEMBER 2017): Nil

GROUP STRUCTURE

AS AT 1 APRIL 2018




KRISENERGY LTD.
CAYMAN
100%
100%
KRISENERGY HOLDING COMPANY LTD.
BVI
KRISENERGY MANAGEMENT LTD.
BVI
100%
99.9950%
KRISENERGY NETHERLANDS HOLDINGS PTE LTD.
SINGAPORE
100%
KRISENERGY (ASIA) LTD.
BVI
KRISENERGY G10 (THAILAND) LTD.
THAI
100%
KRISENERGY (VIETNAM 115) LTD.
BVI
KRISENERGY (SONG HONG 105) LTD.
BVI
100%
KRISENERGY INTERNATIONAL (THAILAND) HOLDINGS LTD.
BVI
KRISENERGY (PHU KHANH 120) LTD.
BVI
KRISENERGY (APSARA) LTD.
BERMUDA
99.9998%
99.9998%
100%
100%
KRISENERGY OIL & GAS (THAILAND) LTD.
THAI
KRISENERGY RESOURCES (THAILAND) LTD.
THAI
NONG YAO G11 (THAILAND) LTD
CAYMAN
KRISENERGY (CAMBODIA) HOLDING LTD.
BVI
100%
KRISENERGY (GULF OF THAILAND) LTD.
CAYMAN
KRISENERGY (CAMBODIA) LTD.
CAMBODIA
10%
4.6345%
KRISENERGY (BANGLADESH SS-11) LTD.
BVI
ORANGE ENERGY LTD.
THAI
B8/32 PARTNERS LTD.
THAI
B BLOCK LTD.
BVI

CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS (THE "BOARD") AND MANAGEMENT OF KRISENERGY ARE COMMITTED TO HIGH STANDARDS OF CORPORATE GOVERNANCE, BUSINESS INTEGRITY AND PROFESSIONALISM. TO THIS END, KRISENERGY CONFIRMS THAT IT HAS COMPLIED IN ALL MATERIAL ASPECTS WITH THE PRINCIPLES AND GUIDELINES OF THE CODE OF CORPORATE GOVERNANCE 2012 (THE "2012 CODE"). ANY DEVIATIONS ARE APPROPRIATELY EXPLAINED WITHIN THIS CORPORATE GOVERNANCE REPORT. WITH SPECIFIC REFERENCE TO THE 2012 CODE, OUR CORPORATE GOVERNANCE PRACTICES ARE SET OUT ON THE FOLLOWING PAGES.

PRINCIPLE 1
BOARD RESPONSIBILITY

Accountable for the Group's activities, strategy, governance, risk management and financial performance, the Board ensures that the corporate responsibility and ethical standards of the Group are met by overseeing the conduct of its affairs and exercising its fiduciary role in the interests of the Group, with the objective to create value for stakeholders and ensure the sustainable success of the Company. Specifically, its principal functions include:

- setting strategic direction and long-term targets and ensuring that resources are set aside to meet the targets;
- overseeing the business and affairs of the Group and instituting, with management, the strategies and financial objectives to be enforced by management, and monitoring the performance of management;
- approving the appointment of the Chief Executive Officer, Directors and the succession planning process;
- overseeing a framework for evaluating adequacy of internal controls, risk management systems, financial reporting and compliance to safe guard stakeholders' interests;
- setting the values and standards (including ethical standards) of the Company;
- assuming responsibility for corporate governance; and
- considering sustainability issues of policies and proposals.

INDEPENDENT JUDGEMENT

The Directors are expected to exercise due diligence and independent judgement in the best interests of the Company.

DELEGATION BY THE BOARD

Although the Board retains overall responsibility, to assist the Board with oversight of various specific responsibilities, the Audit and Risk Management, Nominating, Remuneration and Executive Committees are delegated the necessary authority by the Board. Established with clear written terms of reference, in compliance with the 2012 Code, each Committee operates with a specific set of duties, authority and accountability. Individually, each Committee plays a pivotal role in ensuring good corporate governance practices within the Group.

MEETINGS AND ATTENDANCE

Meeting every quarter and ad hoc as warranted by circumstances, the schedules for all Board and Committee meetings for the next calendar year are planned in advance, in consultation with the Directors. Non-executive Directors also meet each quarter without the presence of management upon conclusion of the Board and Committee meetings. The Company's Articles of Association ("Articles") permit telephonic attendance and conference for Board and Committee meetings. The Board and Committees may also make decisions by way of circulating written resolutions.

Aside from reviewing the Group's financial performance, annual work program and budget, corporate strategy, business plans, potential acquisitions and divestments and significant operational matters, the Chairman of each Committee provides updates from their respective Committee meetings to the Directors. Additionally, management provides the Board with regular email and teleconference updates regarding operations, financial performance and where applicable, developments in, and the Group's compliance with, corporate governance requirements and other regulations.

Table 1 sets out the number of meetings held by the Board and the Audit and Risk Management, Nominating and Remuneration Committees since 1 January 2017 to the end of the financial year under review, as well as the attendance of each Board member.

Management endeavours to provide timely dissemination of all papers and materials for discussion regardless of a Director's ability to physically attend a Board Meeting. Upon reviewing such materials, Directors are expected to advise the Chairman or Committee Chairman of views and comments on the matters at hand in order that they may be conveyed to other Board members and discussed at the meeting.

BOARD APPROVAL

Appropriate internal guidelines have been put in place which set forth matters requiring Board approval. The Board approves matters relating to, amongst others, (i) acquisitions and disposals of material assets; (ii) plans of development for petroleum assets; (iii) the Group work program and budget; and (iv) all material commitments to corporate and project financing from banks and financial institutions. This allows management to focus on its responsibilities for the day-to-day operation and administration of the Company.

TABLE 1: DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING THE FINANCIAL YEAR UNDER REVIEW

	BOARD MEETINGS[1]	COMMITTEE MEETINGS[1]		
NAME OF DIRECTOR		AUDIT AND RISK MANAGEMENT	NOMINATING	REMUNERATION
Will Honeybourne[2]	2	–	1	1[3]
John Koh	6	4	3	1[3]
Chris Gibson-Robinson[4]	2	–	–	–
Richard Lorentz[4]	2	–	–	–
Duane Radtke	6	3[3]	3	3
Jeffrey S. MacDonald[5]	5	2[3]	1[3]	2[3]
Tan Ek Kia	6	4	4	3[3]
Alan Nisbet	6	4	3[3]	4
Keith Pringle	6	4	3[3]	4
Chan Hon Chew	6	3[3]	3[3]	3
Michael Chia[6]	4	3	2	2[3]
Kelvin Tang[7]	1	–	–	–
Kiran Raj (Alternate Director to Kelvin Tang)[7]	1	–	–	–
TOTAL NO. OF MEETINGS HELD	**6**	**4**	**4**	**4**

NOTES:
1 Refers to meetings held/attended while each Director was in office
2 Resigned from the Board on 23 February 2017
3 By invitation
4 Resigned from the Board on 24 April 2017
5 Resigned from the Board on 31 August 2017
6 Resigned from the Board (and replaced with Chris Ong Leng Yeow) on 5 January 2018
7 Appointed to the Board on 9 November 2017

Further, the Company implements a management approval authority policy which sets out authority levels to which management is expected to adhere in respect of entering into commitments, approving expenditure, authorising payments and agreeing and settling liabilities on behalf of the Group. The policy thus ensures that decisions are taken at an appropriate level consistent with (i) maintaining the implementation of any policy decided upon by the Board; and (ii) maintaining appropriate internal controls to safeguard the assets and resources of the Group, while at the same time seeking efficiency of operation and devolving responsibility.

BOARD INDUCTION

All newly appointed Directors are provided induction letters detailing their duties and responsibilities. Management also conducts an orientation program, which serves as a comprehensive and tailored induction, outlining the Company's business, strategic plans, objectives and governance practices, amongst others.

BOARD TRAINING

Directors are informed of, and arrangements are made for them to attend, any appropriate and relevant courses which promote their professional development and encourage the highest standards of corporate governance and ethical conduct. Annual training sessions on topics such as Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading and changes in industry-related matters are conducted by an external expert.

PRINCIPLE 2
BOARD COMPOSITION AND GUIDANCE

BOARD SIZE, COMPOSITION AND COMPETENCY

In parallel with the developing objectives of the Company and the industry, the Board, together with the Nominating Committee, evaluates on a regular basis the size of the Board, its composition and the mix of competencies of Board members. The Nominating Committee places great importance on the necessity for Directors to possess a wide array of expertise, skills and attributes, including relevant core competencies in areas such as accounting and finance, business and management, the oil and gas industry, strategic planning and knowledge of risk management. These factors are taken into account when the Nominating Committee recommends Director appointments. The Board, with the concurrence of the Nominating Committee, agrees that the current composition of the Board (taking into consideration the recent changes to the Board) provides an appropriate balance and diversity of skills, experience and knowledge of the Company and its business without interfering with efficient and effective decision-making.

BOARD CHANGES

Following the completion of the Company's financial restructuring in early 2017, Will Honeybourne retired from the Board[1] and was replaced by Tan Ek Kia as Independent Non-executive Chairman[1], both Richard Lorentz and Chris Gibson-Robinson stepped down from the Board[2], and the Company effected organisational changes in order to execute its revised business plans, including the appointment of Kelvin Tang as Chief Executive Officer[3] and Executive Director[4]. Pursuant to Kelvin Tang's appointment, Jeffrey S. MacDonald relinquished his role and resigned as Interim Chief Executive Officer and Executive Director[5].

1 With effect from 23 February 2017
2 With effect from 24 April 2017
3 With effect from 1 September 2017
4 With effect from 9 November 2017
5 With effect from 31 August 2017

BOARD INDEPENDENCE

In determining the independence of Directors, the Nominating Committee conducts an annual review, taking into account the 2012 Code definition of an Independent Director and the guidance the 2012 Code provides as to the type of relationships which would preclude a Director from being independent. The Nominating Committee will specifically take into consideration a Director's business relationships with the Company, or any related companies, and whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgement with a view to the best interests of the Company. In addition, each of the Independent Directors provides an independence declaration annually. None of the Directors have served more than nine years with the Company.

The Board, taking into account the views of the Nominating Committee, considers the following Directors independent: John Koh, Duane Radtke, Tan Ek Kia, Alan Nisbet and Keith Pringle.

The Board is helmed by an Independent Chairman and the Independent Directors comprise more than half of the Board.

BOARD INFORMATION

A crucial feature of a robust and effective Board is an open and constructive environment for Board members to contest and query management on its proposals and assumptions. Regular teleconference meetings are held to update the Board on the Company's operations and to provide Directors a platform to provide views and judgements. Further, as and when necessary, management holds informal meetings to brief Directors on prospective transactions and potential developments at an early stage prior to seeking formal Board approval. These informal briefings are usually accompanied with detailed Board memorandums.

Due to the prolonged volatile state of oil and gas prices which impacted the Company's financial health and necessitates a more active role by the Board in the Company's financial matters and state of affairs, management holds regular teleconferences where possible to ensure that the Board is provided with the most updated information.

Meeting of Directors without management: Non-executive Directors hold meetings after each quarterly Board meeting to discuss matters without the presence of management.

OTHER COMMITTEES

In addition to the Audit and Risk Management, Nominating and Remuneration Committees, the Company has an Executive Committee (constituted in April 2017), which meets when required to assist the Board in executing its duties. (The former Technical Committee and Transition Committee have been dissolved in April 2017).

Each Committee may make decisions on matters within its terms of reference and applicable limits of authority. The terms of reference of each Committee are reviewed from time to time, as are the structures and memberships of the Committees.

EXECUTIVE COMMITTEE

The Executive Committee is chaired by Tan Ek Kia and also comprises Chan Hon Chew, John Koh and Kelvin Tang. The Executive Committee comprises two Independent Non-executive Directors. The terms of reference for the Executive Committee include:

- providing advisory support, guidance and oversight to the Chief Executive Officer and management in the conduct of the Company's business (including but not limited to the review of capital expenditures, operational expenditures and management approval authority policy), as and when required;
- undertaking decisions required by the Company which exceed the financial limit authority of the Chief Executive Officer, provided that such decisions are not specifically reserved for the Board or other supervisory persons / Committees; and
- undertaking generally other functions, duties and powers as may be required by the Board or the Committee from time to time.

PRINCIPLE 3
CHIEF EXECUTIVE OFFICER & CHAIRMAN

CHIEF EXECUTIVE OFFICER

In view of Keith Cameron's retirement as Chief Executive Officer on 1 July 2016 and the then forthcoming financial restructuring, the Company appointed Jeffrey S. MacDonald as Interim Chief Executive Officer. Following the completion of the Company's financial restructuring in early 2017, the Board, with the endorsement of the Nominating Committee, appointed Kelvin Tang as Chief Executive Officer with effect from 1 September 2017, and Jeffrey S. MacDonald relinquished his role as Interim Chief Executive Officer effective 31 August 2017.

SEPARATION OF THE ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

A separation of roles and powers between the Chairman and the Chief Executive Officer ensures an appropriate balance of power, greater accountability and increased capacity of the Board for independent decision making. The division of responsibilities between them are clearly established and agreed by the Board.

Tan Ek Kia, an Independent Non-executive Director, was appointed Independent Non-executive Chairman with effect from 23 February 2017 following the resignation of Will Honeybourne. Neither the prior Chairman nor the current Chairman is related to the Chief Executive Officer (or the then Interim Chief Executive Officer). Spearheading a high standard of corporate governance, the Independent Non-executive Chairman, who also chairs the Nominating Committee and the Executive Committee guides the Board with the aid of Directors, Company Secretaries and management to ensure its effectiveness in all aspects of its role. The Independent Non-executive Chairman sets the agenda and monitors the flow of information from management to the Board to ensure all material information is provided in a timely manner for Directors to review and discuss. The Independent Non-executive Chairman encourages and promotes communication and constructive relations between the Board and management, and between Executive and Non-executive Directors, and is available to shareholders and all stakeholders should they have any concerns which have failed to be resolved by contact through the Chief Executive Officer or the Chief Financial Officer. The Chief Executive Officer manages and oversees the Group's business. Other Executive Directors and management provide assistance to the Chief Executive Officer in making strategic proposals to the Board. Pursuant to open and constructive Board discussion, the Chief Executive Officer formulates plans to execute the agreed strategy and implements Board decisions.

PRINCIPLE 4
BOARD MEMBERSHIP

NOMINATING COMMITTEE

The Nominating Committee is chaired by Tan Ek Kia and also comprises John Koh, Chris Ong Leng Yeow[1] and Duane Radtke. The Nominating Committee comprises entirely Non-executive Directors, of which three out of four (including the Nominating Committee Chairman) are independent.
The key terms of reference for the Nominating Committee include:

- reviewing and recommending candidates for appointments to the Board and Board Committees (excluding the appointment of existing members of the Board to each of the Audit and Risk Management Committee, the Nominating Committee and the Remuneration Committee for the purposes of the initial establishment of such Board committees), as well as candidates for senior management staff, who are not also candidates for appointment to the Board;
- developing of a process for evaluation of the performance of the Board, the Board Committees and the Directors;
- reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of the Directors;
- reviewing of Board succession plans for the Directors, in particular, the Chairman and the Chief Executive Officer;
- reviewing of training and professional development programs for the Board;
- determining independence of the Directors; and
- undertaking generally such other functions and duties as may be required by law or the Listing Manual of the SGX-ST, and by amendments made there to from time to time.

1 Chris Ong Leng Yeow was appointed to the Board on 5 January 2018

RECOMMENDATION OF DIRECTORS

The Nominating Committee initiates the review and recommendation of all nominations and re-nominations of Directors and Committee members, taking into account the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance. The Company's Articles require Directors to retire at least once every three years. The Company has, for this purpose, adopted a policy of retiring one-third of Directors from office by rotation at each Annual General Meeting ("AGM") and these Directors will be eligible for re-election at that AGM. The Articles also stipulate that Directors appointed by the Board during a financial year, shall only hold office until the next AGM, and thereafter be eligible for re-election at the AGM.

REVIEW OF DIRECTORS' INDEPENDENCE

Principle 2 "Board Composition and Guidance" of this corporate governance report sets out the guidelines for the Nominating Committee's determination of a Director's independence on an annual basis.

DIRECTORS' TIME COMMITMENTS

Factors such as multiple board representations are taken into consideration by the Nominating Committee when deciding whether a Director is able to devote sufficient time and attention to discharging their responsibilities adequately. Noting that the time requirement of each directorship varies, the Nominating Committee believes that limiting the number of directorships a Director can hold may be arbitrary. Instead, the Nominating Committee is provided by each of the Directors a confirmation of their ability to devote sufficient time and attention to the Company's affairs, having regard to all other commitments which they declare. The Nominating Committee is satisfied that all Directors have discharged their duties adequately from 1 January 2017 until the end of the financial year under review, and will continue to do so in the next financial year.

ALTERNATE DIRECTOR

Concurrent with his appointment as Executive Director of the Company and in view of his overseas commitments pertaining to the Group, Chief Executive Officer Kelvin Tang has appointed Kiran Raj as his Alternate Executive Director, with effect from 9 November 2017. Kiran Raj, who is concurrently the Chief Financial Officer, is familiar with the Company's affairs and is appropriately qualified.

SUCCESSION PLANNING FOR THE BOARD AND MANAGEMENT TEAM

Emphasis on succession planning ensures seamless transition and the Nominating Committee seeks to refresh the Board membership progressively and in an orderly manner. The Nominating Committee reviews succession and leadership development plans for the Board and management, which are subsequently approved by the Board.

CRITERIA AND PROCESS FOR NOMINATION AND SELECTION OF NEW DIRECTORS

A formal process is adopted in the search for and nomination and selection of new Directors. The Nominating Committee identifies the main attributes required of an incoming director based on the composition and skill set of the existing Board. The Nominating Committee will draw on the resources of Directors' personal and business contacts and recommendations of candidates during a shortlisting process. Recruitment agencies may also be used. Interviews will be held between potential candidates and Nominating Committee members before a recommendation is made to the Board. For Board appointments in the financial year under review, no external search was required as the recommended candidates were existing officers of the Company which met the required criteria for the Board.

KEY INFORMATION ON DIRECTORS

Please refer to the section entitled "Board of Directors" of this Annual Report for key information on Directors. The Notice of Annual General Meeting sets out the Directors proposed for retirement and re-election at the AGM.

PRINCIPLE 5
BOARD PERFORMANCE

BOARD AND COMMITTEE EVALUATION

An independent consultant is engaged to ensure that the Board and Committee assessments are completed promptly, fairly and confidentially.

The independent consultant works together with the Nominating Committee to design and update questionnaires for the evaluation process. Developed by incorporating the best practices in the market on Board and Committee evaluations, and revised based on key focus issues and areas prescribed by the Board, the questionnaires are provided to the Directors on an annual basis. The performance criteria for the evaluations has remained unchanged to-date and includes the size and composition, independence, processes, information and accountability, risk controls and internal management and standards of conduct, all of which are in accordance with the guidelines of the 2012 Code and the terms of reference of each of the Committees. For the financial year under review, the Company has implemented an additional peer performance evaluation for each individual Director as a more sensitive measure to enhance corporate governance. The results are collated by the independent consultant and presented to the Nominating Committee.

For the financial year ended 31 December 2017, the evaluation results did not materially differ from that of the previous year and the performance criteria of each assessment were met with materially similar results. The Nominating Committee, upon detailed evaluation of these results and improvement suggestions provided, will work with the Board and each of the other Committees to identify key concerns and focal areas and an action plan will be implemented to address these.

PRINCIPLE 6
ACCESS TO INFORMATION

COMPLETE, ADEQUATE AND TIMELY INFORMATION

Board and Committee materials are distributed in advance and are accessible via an online application on mobile devices. The Company fully recognises that the flow of relevant information on an accurate and timely basis is critical for the Board to be effective in the discharge of its duties, and aims to provide information the week before any meetings.

Any additional material or information requested by the Directors is promptly furnished. Matters of a highly sensitive nature may be tabled at a meeting or discussed without any papers being distributed. Management, which provides additional insights into the matters at hand, will be present at the meeting. The Directors are fully acquainted with the relevant management personnel, Company Secretaries and internal and external auditors to facilitate direct and independent access to the same.

Board materials include, amongst others, minutes to the previous Board meetings, major operational and financial updates, background or explanations on matters brought before the Board for decision or information, including issues dealt with by management, relevant budgets, forecasts and projections. In respect of budgets, any material variance between projections and actual results is disclosed and explained to the Board.

COMPANY SECRETARIES

The Company Secretaries administer, attend and prepare minutes of Board proceedings. They assist the Chairman to ensure that Board procedures are followed and regularly reviewed to facilitate the effective functioning of the Board, and that the Company's memorandum, Articles and relevant rules and regulations, including requirements of the Cayman Companies Law, Securities & Futures Act and Listing Manual of the SGX-ST, are complied with. They also assist the Chairman and the Board to implement and strengthen corporate governance practices and processes with a view to enhancing long-term shareholder value.

The appointment and removal of Company Secretaries are subject to the approval of the Board.

INDEPENDENT PROFESSIONAL ADVICE

The Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

PRINCIPLE 7
REMUNERATION MATTERS

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Duane Radtke and also comprises Chan Hon Chew, Alan Nisbet and Keith Pringle. The Remuneration Committee comprises entirely Non-executive Directors, of which three of four (including the Remuneration Committee Chairman) are independent.

The key terms of reference for the Remuneration Committee include:

- review and approval of the Company's policy for determining the remuneration of executives including that of the Chief Executive Officer and other key management executives (the "Senior Management");
- continued review of the appropriateness and relevance of the Company's executive remuneration policy and other benefit programs;
- consideration, review and approval and/or varying the entire specific remuneration package and service contract terms for Senior Management;
- consideration, review and approval and/or adaptation (if necessary) of the entire specific remuneration package and service contract terms for each member of Senior Management (including Directors' fees, salaries, allowances, bonuses, payments, options, share-based incentives and awards, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within the Group;
- consideration and approval of termination payments, retirement payments, gratuities, *ex-gratia* payments, severance payments and other similar payments to members of the Board and Senior Management, including the Chief Executive Officer;
- review of the Company's obligation arising in the event of termination of Executive Directors and Senior Management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- review and approval of all option plans, stock plans and/or other equity based plans;
- annual determination whether awards will be made under each of the existing equity-based plans;
- review and approval of each award as well as the total proposed awards under each plan in accordance with the rules governing each plan;
- on-going review and approval of performance hurdles and/or fulfilment of performance hurdles for each of our equity-based plans; and
- review of succession plans for Senior Management positions.

The Remuneration Committee's recommendations are submitted for endorsement by the Board, thus assisting the Board to ensure that remuneration policies and practices are competitive within the industry in order to attract, retain and motivate employees, without being excessive, and thereby maximising shareholder value. No member of the Remuneration Committee is involved in deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him. Where necessary, the Remuneration Committee may seek advice from independent expert remuneration consultants on remuneration matters, such as Towers Watson. Please refer to Principle 9 "Disclosure on Remuneration" of this corporate governance report for further information on the Company's compensation philosophy.

PRINCIPLE 8
LEVEL & MIX OF REMUNERATION

REMUNERATION OF EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT

The remuneration packages of Executive Directors and Senior Management comprise the following components:

(a) Fixed and variable components

The fixed component consists of basic salary and Central Provident Fund contributions (if applicable). The Remuneration Committee ensures that Senior Management's remuneration is consistent and comparable with market practice by reviewing and considering such remuneration components against those of comparable companies, if such information is publicly available, while continuing to be aware of the general correlation between increased remuneration and performance improvements.

The variable component comprises variable bonus based on the Group's performance in relation to stipulated key performance indicators, as well as relevant market remuneration benchmarks. The performance of Senior Management is assessed every year. Total bonuses payable are reviewed by the Remuneration Committee and approved by the Board to ensure (i) alignment of interests with those of shareholders and (ii) symmetry with risk outcomes.

The Board views performance bonuses with a design to support the Group's business strategy and the enhancement of shareholder value through the annual fulfilment and delivery of financial, strategic and operational objectives. On an individual level, the performance bonus may vary based on the actual achievement of the Group and individual performance objectives. While these objectives may be of different emphasis for each executive, they are assessed on the same principles across business and strategy targets, which include environmental, health and safety processes; production, reserves and resource values; financial and risk management; and people development. Further, executives may be assessed on teamwork and collaboration across the Group.

(b) Allowances and benefits

Allowances and benefits provided are consistent with market practice and include medical benefits, flexible benefits and transportation and education allowances. Eligibility for these benefits and allowances depends on individual salary grade, employment position and country of residence.

(c) Share awards and options

In recognition of the contribution of Senior Management to the Company and as a tool for long-term incentivisation and alignment of interests with the Company, Senior Management is eligible for share options and awards under the KrisEnergy Employee Share Option Scheme ("KrisEnergy ESOS") and KrisEnergy Performance Share Plan ("KrisEnergy PSP").

For the financial year under review, awards were granted under the KrisEnergy PSP at the discretion of the Remuneration Committee. Such share awards are conditional upon the achievement of predetermined performance targets over the performance period. These performance conditions include market capitalisation and reserves targets. As at the end of the financial year, certain share awards granted under the KrisEnergy PSP have been partially vested.

For more information on KrisEnergy ESOS and KrisEnergy PSP and the share awards granted, please refer to the sections entitled "Directors' Report—KrisEnergy Employee Share Option Scheme and KrisEnergy Performance Share Plan" and "Notes to the Consolidated Financial Statements—Share-based Payments" of this Annual Report.

The Remuneration Committee has the discretion not to award performance bonuses or share-based incentives in any year if any executive is involved in misconduct which has a material impact on our Company.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Chairman of each Committee commands a higher fee in view of the greater responsibility carried by that office. Each Non-executive Director is paid a basic fee and an attendance fee. Executive Directors are not paid Directors' fees. Fees payable to Non-executive Directors are paid in cash and are subject to shareholders' approval at each AGM.

Basic fee

The basic fee structure of the Non-executive Directors is as disclosed in Table 2.

Since 2016, there has been a 25% reduction in the total remuneration of the Non-executive Directors as one of several cost-cutting measures to aid the Company through the adverse macroeconomic conditions and its volatile financial position. As the industry outlook remains unstable, the reduced remuneration has since been approved as the basic fee structure.

TABLE 2: NON-EXECUTIVE DIRECTORS' FEES

NATURE	DESCRIPTION	RATE
		US$
Board Fees	Chairman Fee	$15,000 per annum
	Basic Retainer Fee	$37,500 per annum
Audit and Risk Management Committee Fees	Membership Fee	$7,500 per annum
	Chairman Fee	$7,500 per annum
Remuneration Committee Fees	Membership Fee	$7,500 per annum
	Chairman Fee	$7,500 per annum
Nominating Committee Fees	Membership Fee	$7,500 per annum
	Chairman Fee	$7,500 per annum

If a Director occupies a position for part of the financial year, the fee payable will be pro-rated accordingly.

Attendance fee

A Non-executive Director will be paid an attendance fee of US$7,500 for each Board meeting attended (whether in person or by teleconference) in that financial year and will also be reimbursed any travel expenses incurred in relation thereto. No attendance fee is payable for attendance of (i) routine Board telephone conference calls or (ii) Committee meetings.

PRINCIPLE 9
DISCLOSURE ON REMUNERATION

ANNUAL REMUNERATION REPORT

A breakdown showing the level and mix of individual Director's and Senior Management's remuneration payable for the financial year under review is as disclosed in Table 3 and Table 4.

BONUSES

Save for Jeffrey S. MacDonald (as disclosed in Table 3 below), no bonuses were declared for the financial year ended 31 December 2017, similar to the prior year.

SHARE AWARDS AND OPTIONS

Non-executive Directors are eligible for the grant of share options and awards under KrisEnergy ESOS and KrisEnergy PSP and are encouraged to acquire Shares in order to align their interests with those of shareholders. Directors' shareholding interests are disclosed in the section entitled "Directors' Report—Directors' interests in shares and debentures" of this Annual Report. For the financial year under review, Non-executive Directors will not receive any share options or awards as part of their remuneration. The Remuneration Committee will continue to review and consider the possibility of including a share-based component in the Non-executive Directors' remuneration for future years.

Disclosure of the (i) precise remuneration amounts of individual Executive Directors and Senior Management, and (ii) aggregate total remuneration paid to Senior Management is disadvantageous to the Group's business interests in view of the shortage of talented and experienced personnel in the upstream oil and gas industry.

The aggregate amount of termination, retirement or post-employment benefits (including medical insurance) of the Directors for the financial year ended 31 December 2017 is US$1,161,191 (approximately S$1,600,090) (no termination, retirement or post-employment benefits have been granted to the Senior Management).

REMUNERATION OF EMPLOYEES WHO ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE CHIEF EXECUTIVE OFFICER

No employee of the Company and its subsidiaries is an immediate family member of a Director or the Chief Executive Officer. The remuneration packages of the Directors and Senior Management have been reviewed and approved by the Remuneration Committee, having regard to their contributions as well as the financial performance and commercial needs of the Group. The Remuneration Committee is satisfied and has ensured that the Directors and Senior Management are adequately, but not excessively, remunerated.

DETAILS OF KRISENERGY ESOS AND KRISENERGY PSP

For more information of KrisEnergy ESOS and KrisEnergy PSP, please refer to the sections entitled "Directors' Report—KrisEnergy Employee Share Option Scheme and KrisEnergy Performance Share Plan" and "Notes to the Consolidated Financial Statements—Share-based Payments" of this Annual Report.

Since 2016, Senior Management has undertaken a 10.0% to 25.0% reduction in remuneration packages and such reduced remuneration has since been approved as the new basic fee structure as a continued cost-cutting measure in light of the unstable industry outlook.

TABLE 3: DIRECTORS

REMUNERATION BANDS	SALARY INCLUDING CPF, IF ANY	BONUS / PROFIT-SHARING	ALLOWANCES & OTHERS	DIRECTORS' FEES	PERFORMANCE SHARES	TOTAL
	%	%	%	%	%	%
S$1,500,000 to S$1,750,000						
Jeffrey S. MacDonald[1]	34	47	–	–	19	100
S$1,000,000 to S$1,250,000						
Chris Gibson-Robinson[2]	95	–	–	–	5	100
Richard Lorentz[2]	95	–	–	–	5	100
Below S$250,000						
John Koh	–	–	–	100	–	100
Duane Radtke	–	–	–	100	–	100
Tan Ek Kia	–	–	–	100	–	100
Alan Nisbet	–	–	–	100	–	100
Keith Pringle	–	–	–	100	–	100
Chan Hon Chew	–	–	–	100	–	100
Michael Chia[3]	–	–	–	100	–	100
Kelvin Tang[4,5]	88	–	6	–	6	100

NOTES:
1 Resigned from the Board on 31 August 2017
2 Resigned from the Board on 24 April 2017
3 Resigned from the Board on 5 January 2018
4 Appointed to the Board on 9 November 2017
5 Excludes remuneration received as Chief Executive Officer, Chief Operating Officer and Vice President Legal from 1 January to 8 November 2017 (which is reflected in Table 4 below)

TABLE 4: SENIOR MANAGEMENT

REMUNERATION BANDS	DESIGNATON	BASED / FIXED SALARY INCLUDING CPF, IF ANY	BONUS / PROFIT-SHARING	ALLOWANCE & OTHERS	PERFORMANCE SHARES	TOTAL
	%	%	%	%	%	%
S$750,000 to S$1,000,000						
Kiran Raj[1]	Chief Financial Officer	83	–	11	6	100
Brian Helyer	Vice President Operations	83	–	11	6	100
S$500,000 to S$750,000						
Kelvin Tang[2,3]	Chief Executive Officer/ Chief Operating Officer/ Vice President Legal/ President, Cambodia	88	–	6	6	100
James Parkin	Vice President Exploration	88	–	6	6	100
Tim Kelly	Vice President Engineering	88	–	6	6	100

NOTES:
1 Appointed as Alternate Executive Director to Kelvin Tang on 9 November 2017
2 Appointed as (i) Vice President Legal up to 14 March 2017 (ii) Chief Operating Officer from 15 March 2017 up to 31 August 2017; and (iii) Chief Executive Officer on 1 September 2017
3 Excludes remuneration received from 9 November to 31 December 2017 (which is reflected in Table 3 above)

PRINCIPLE 10
ACCOUNTABILITY & AUDIT

ACCOUNTABILITY AND AUDIT

By understanding its responsibility and embracing openness and transparency in the conduct of the Company's affairs, whilst preserving commercial interests, the Board has adopted a balanced and understandable assessment of the Group's performance, position and prospects when presenting interim and other price-sensitive public reports and reports to regulators (if required).

Financial statements and reports, along with all other price sensitive information, are released to all shareholders through timely announcements on SGXNet, press releases, the corporate website and during teleconference briefings and investor forums. The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the listing rules. Regular updates on any material changes in the relevant legislative and regulatory frameworks are sent to the Board.

PRINCIPLE 12
AUDIT AND RISK MANAGEMENT COMMITTEE

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee is chaired by John Koh and comprises Chris Ong Leng Yeow[1], Tan Ek Kia, Alan Nisbet and Keith Pringle. The Audit and Risk Management Committee comprises entirely of Non-executive Directors, of which four out of five (including the Audit and Risk Management Committee Chairman) are independent.

The terms of reference for the Audit and Risk Management Committee were updated in November 2017 to formally incorporate additional scope on risk overview and risk management matters (including re-titling the Audit Committee as the Audit and Risk Management Committee).

The key terms of reference for the Audit and Risk Management Committee include:

- review of all financial information and any public financial reporting with management and external auditors for submission to the Board;
- review of significant financial reporting issues and judgements to ensure the integrity of financial statements and any announcements relating to financial performance;
- review of, together with external auditors, the audit plan, audit report, management letter and the responses which the external auditors have received from management on difficulties encountered with Manage ment in the course of the audit;
- review of, together with external and internal auditors and reporting to the Board at least annually, the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls;
- review of, together with internal auditors, the program, scope of results of the internal audit and management's response to findings to ensure that appropriate follow-up measures are taken;
- review at least annually, the adequacy and effectiveness of the internal audit function;
- review of the scope and results of the external audit, and the independence and objectivity of the external auditors;
- review of, together with external auditors, the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial information;
- review of interested person transactions for potential conflicts of interest as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interest are in place;
- assessment of the suitability of an accounting firm as external auditors and recommending to the Board the appointment or re-appointment of such external auditors, approving their compensation and reviewing and approving their discharge;
- review of filings with the SGX-ST or other regulatory bodies which contain financial information and ensuring proper disclosure;
- commissioning and reviewing any findings of internal investigations into matters where there is suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which is likely to be material to the Group;
- obtaining recommendations on risk tolerance and strategy from management, and where appropriate, reporting and recommending to the Board for its determination the nature and extent of significant risks which the Group may take in achieving strategic objectives and the Group's overall level of risk tolerance and risk policies;
- reviewing and discussing, as and when appropriate, with management, the Group's risk governance structure and framework, including risk policies, risk mitigation and monitoring processes and procedures;
- review of quarterly reports from management regarding major risk exposures and steps taken to monitor, control and mitigate such risks;
- review of the Group's capability to identify and manage new risk types;
- review and monitor management's responsiveness to risks and matters identified;
- provide timely input to the Board on critical risk and regulatory compliance issues, material matters, findings and recommendations;
- review of risk management policies and guidelines and monitoring compliance therewith and assessing the adequacy and effectiveness of such risk management function;
- review of policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- review and approval of any hedging policies and hedging instruments;
- reporting to the Board the work performed by the Audit and Risk Management Committee in carrying out its functions;
- monitoring investments in customers, suppliers and competitors made by Directors, controlling shareholders and their respective associates who are involved in the management or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interest;
- review of whistle-blower arrangements instituted by the Group through which staff may in confidence, raise concerns and possible improprieties in matters of financial or other matters; and
- undertake generally such other functions and duties as may be required by the Listing Manual of the SGX-ST and by amendments made thereto from time to time.

The Audit and Risk Management Committee has explicit authority to investigate any matter within its terms of reference, and has the full cooperation of and access to management. It also has direct access to the internal and external auditors, and full discretion to invite any Director or executive officer to attend its meetings. Its authority extends to reviewing its terms of reference and its own effectiveness annually and recommending necessary changes to the Board. The Audit and Risk Management Committee regularly meets with the external auditors and internal auditors, in each case without management's presence and at least once annually.

No member of the Audit and Risk Management Committee is a former partner or director of the Company's external auditors. The Board is of the view that members of the Audit Committee and Risk Management Committee (including the Audit and Risk Management Committee Chairman) have recent and relevant accounting and related financial management expertise and are familiar with the Company's business and operations and are thus able to discharge their duties as Audit and Risk Management Committee members. Where possible, the Company arranges for sessions with the Company's external auditors to ensure that any changes to accounting standards and issues which have a direct impact on financial statements are highlighted to Audit and Risk Management Committee members and the Board.

1 Chris Ong Leng Yeow was appointed to the Audit & Risk Management Committee (and the Board) on 5 January 2018

EXTERNAL AUDITORS

The Audit and Risk Management Committee assesses the suitability of the external auditors and recommends to the Board the appointment, re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors.

The Company has, upon deliberation by and recommendation of the Audit and Risk Management Committee and management to the Board, appointed Deloitte & Touche LLP, in replacement of Ernst & Young LLP, as its external auditors at an extraordinary general meeting of the Company held on 16 October 2017. Deloitte & Touche LLP was selected for the proposed appointment in view of several factors, namely the adequacy and experience of Deloitte & Touche LLP and the extensive upstream oil and gas sector experiences of the audit partners-in-charge, the size and complexity of the KrisEnergy Group and the number and experience of supervisory and professional staff to be assigned. The change of external auditors is part of ongoing initiatives to uphold high standards of corporate governance that the KrisEnergy Group is committed to.

Deloitte & Touche LLP will hold office until the conclusion of the forthcoming AGM, and the re-appointment of Deloitte & Touche LLP is subject to shareholder approval at the AGM. Ernst & Young LLP, the retired auditors, will accordingly not be seeking re-appointment at the forthcoming AGM.

During the financial year under review, the Audit and Risk Management Committee Chairman, without the presence of management, held meetings with Deloitte & Touche LLP. The Audit and Risk Management Committee reviewed the independence and objectivity of Deloitte & Touche LLP through discussions with Deloitte & Touche LLP as well as a review of the volume and nature of non-audit services provided by Deloitte & Touche LLP during the period. Based on the review, the Audit and Risk Management Committee is satisfied that the financial, professional and business relationships between the Company and Deloitte & Touche LLP will not prejudice their independence and objectivity. Accordingly, the Audit and Risk Management Committee has recommended the re-appointment of Deloitte & Touche LLP at the forthcoming AGM.

In the financial year under review, the Audit and Risk Management Committee held discussions with management and Deloitte & Touche LLP regarding the accounting principles applied in the financial statements and any items that may affect the integrity of the financial statements. Subsequently, the Audit and Risk Management Committee recommended to the Board the release of the full-year financial statements.

The total fees paid and / or payable to the external auditors, Ernst & Young LLP (former) and Deloitte & Touche LLP (present), for the financial year under review are as disclosed in Table 5.

TABLE 5: FEES TO EXTERNAL AUDITORS

	S$'000	% OF TOTAL FEES PAID
EXTERNAL AUDITORS' FEES FOR THE FINANCIAL YEAR UNDER REVIEW		
Total Audit Fees	543	93
- Ernst & Young LLP	89	
- Deloitte & Touche LLP	454	
Total Non-Audit Fees[1]	44	7
- Ernst & Young LLP	44	
- Deloitte & Touche LLP	–	
Total Fees Paid	**587**	**100**

NOTE:
1 Non-audit services provided by Ernst & Young LLP include tax filing and project review

The Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in the appointment of its external auditors.

WHISTLE-BLOWING POLICY

The Audit and Risk Management Committee has put in place a whistle-blowing policy, containing clearly defined mechanisms and procedures to encourage and enable employees, customers or third parties to raise concerns internally and at a high level and report malpractices, impropriety and misconduct in the workplace without fear of reprisal. Concerns about possible improprieties in matters of financial malpractice or impropriety or fraud, dangers to environment health safety and/or security, criminal activity, improper conduct or unethical behaviour and other matters in breach of company policies can be raised confidentially to the Chairman of the Board or the General Counsel and arrangements are in place for independent investigations of such matters and for appropriate follow-up action. These procedures aim to promote accountability, transparency and consistency in dealing with concerns made in good faith. There were no whistle-blowing reports made during the financial year under review.

INTERESTED PERSON TRANSACTIONS

The Company has embedded procedures to comply with the requirements of the Listing Manual of the SGX-ST relating to interested person transactions. All new Directors are briefed on the relevant provisions that they are required to comply with. Any interested person transactions are reported to, and monitored and reviewed by the Audit and Risk Management Committee. There were no interested person transactions for the financial year under review.

MATERIAL CONTRACTS (RULE 1207(8) OF THE LISTING MANUAL OF THE SGX-ST)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Chief Executive Officer, any Director, or controlling shareholder subsisting at the end of the financial year under review.

PRINCIPLE 11 & 13
RISK MANAGEMENT & INTERNAL CONTROLS, INTERNAL AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

It is the responsibility of the Board to ensure that there are sufficient risk governance measures implemented within the Company. The Board is also responsible for ensuring that management maintains a sound system of risk management and adequate internal controls to safeguard shareholders' investments and the Group's assets. Risk management is a continuous process where Senior management and operational managers continually participate to evaluate, monitor and report to the Audit and Risk Management Committee and the Board on significant risks encountered in operations.

The Company has developed and implemented a Board Assurance Framework (the "Framework"), which includes an enterprise risk management framework. The Framework acts as the platform for identification of significant and material risks, to assess the potential impact and likelihood of those risks occurring, test the internal control effectiveness and to create any action plans to further mitigate those risks. The risks identified in the Framework include strategic, financial, operational, compliance and information technology risks. A risk governance structure has been developed to provide details on the roles and responsibilities for the Board and management (specifically, the Chief Risk Officer) in risk monitoring, escalation, mitigation and reporting.

Risk appetite statements with tolerance limits are established to monitor shifts in significant risks and to proactively manage them within acceptable levels. These risk appetite statements have been reviewed and approved by the Audit and Risk Management Committee and the Board and are monitored on a quarterly basis. In addition, the Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Company's financial records have been properly maintained and give a true and fair view of the Group's operations and finances, and that the Company has sufficiently effective risk management and internal control systems.

The Audit and Risk Management Committee has the responsibility to oversee the Company's risk management framework and policies. Any material non-compliance or failures in internal controls and recommendations for improvements will be reported to the Audit and Risk Management Committee. The Audit and Risk Management Committee will also review the effectiveness of the actions taken by management on the recommendations made by the external and internal auditors.

Further, the Audit and Risk Management Committee will update the Board on such risk management framework and policies at least annually and from time to time when necessary.

Based on the internal controls established and maintained by the Group, work performed by independent external third parties, and reviews and assurances by management and various Board Committees, the Board with the concurrence of the Audit and Risk Management Committee is of the opinion that the Group's system of risk management and internal controls, addressing financial, operational, compliance and information technology risks, which is relevant and material to the Group's current business scope and environment, was adequate and effective as at 31 December 2017. Nonetheless, it is understood that such a system can only provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide a complete assurance against human error, poor judgement in decision making, losses, fraud or other irregularities.

INTERNAL AUDIT

In August 2017, the Board, at the recommendation of the Audit and Risk Management Committee, sanctioned and formalised the incorporation of internal audit functions within the Company ("Internal Auditors") to perform and manage all internal audits. Prior to the establishment of the Internal Auditors, KPMG Services Pte. Ltd. had been engaged as the Group's internal audit function.

The Internal Auditors are responsible for executing the Internal Audit Plan as approved by the Audit and Risk Management Committee and for reporting the findings and recommendations of such audits to the Audit and Risk Management Committee on a quarterly basis. The Internal Auditors' primary line of reporting is to the Chairman of the Audit and Risk Management Committee, although the function reports administratively to the Board. All internal audit summary reports are submitted to the Audit and Risk Management Committee for consideration, with copies of the reports extended to the Independent Non-executive Chairman, the Board (specifically, the Chief Executive Officer) and relevant Senior Management. To ensure timely and adequate closure of internal audit findings, the status of the implementation of the actions agreed by management is tracked and discussed with the Audit and Risk Management Committee.

The Internal Auditors have unrestricted direct access to the Audit and Risk Management Committee and unfettered access to all documents, records, properties and personnel. The Internal Auditors' function is performed in accordance to the International Professional Practices Framework established by The Institute of Internal Auditors.

The Audit and Risk Management Committee approves the hiring, removal, evaluation and compensation of the head of the internal audit function. The Audit and Risk Management Committee is also responsible for the review, at least annually, of the adequacy and effectiveness of the internal audit function. The Audit and Risk Management Committee believes that the current Internal Auditors have the relevant qualifications and experience.

PRINCIPLE 14
SHAREHOLDER RIGHTS & RESPONSIBILITIES

The Company believes in having a robust governance culture to ensure that shareholders receive fair and equitable treatment. The Company recognises that shareholders should be entitled to equal information rights and strives to provide adequate, timely and sufficient information pertaining to changes and updates in its business that could have a material impact on the share price and value. Such changes and updates could include financing arrangements, asset divestments and industry factors.

Shareholders whose names are registered in the CDP Register and the Register of Members are entitled to participate in, and vote at, shareholders' meetings. Shareholders are informed of shareholders' meetings through notices and/or circulars sent to all shareholders and/or published in newspapers, on the SGX-ST or on the Company's website. All shareholders have the opportunity to participate effectively in and vote at shareholders' meetings and will be informed of the rules, including voting procedures, which govern such shareholders' meetings. If any shareholder is unable to attend, he is allowed to appoint proxies to vote on his behalf at the meeting through proxy forms sent in advance. At shareholders' meetings, each distinct issue is proposed as a separate resolution and the results of the votes are announced at shareholders' meetings.

The Company advocates stakeholder participation and will hold shareholders' and/or noteholders' meetings in a central location in Singapore. Shareholders will be able to proactively engage Board and management on its business activities and financial performance.

PRINCIPLE 15
COMMUNICATION WITH SHAREHOLDERS & INVESTORS

The Company remains committed to delivering high standards of corporate disclosure and transparency through an open and non-discriminatory approach towards communications with shareholders and investors, the investment community and the media. The Company provides regular and relevant information regarding the Company's performance, progress and prospects to aid shareholders and investors in their investment decisions. Where possible, the Company holds regular investor forums to provide information about its business and operations and the prevailing industry climate and also provide investors an avenue to raise any queries with management. Briefing sessions are conducted for the media, analysts and the investor community when quarterly financial results are released.

All press statements, financial results and material information are published on SGXNet and the Company's website www.krisenergy.com, and where appropriate, through media releases. The Company's announcements and website provide contact details for investors in the event they wish to contact the Company.

Throughout the financial year, Management has participated in local and foreign investor meetings, conferences and forums, which provide a platform for Management to explain business strategy and financial performance. Management is provided with an opportunity to seek investor and analyst feedback and perceptions of the Company during these meetings, conferences and forums.

Further, the Company arranges for investor meetings after the release of first half and full year financial statements and makes available the briefing slides for such meetings on its website and SGXNet.

The Company is dedicated to facilitate communications with shareholders, the investor community, analysts and the media. Our investor relations responds to and ensures that all queries are addressed promptly.

NO DIVIDEND POLICY

The Company does not have a fixed dividend policy. Taking into consideration factors including but not limited to its results of operations and cash flow, expected financial performance and working capital needs, future prospects, capital expenditures and other investment plans, other investment and growth plans, general economic and business conditions and other factors deemed relevant by the Board and statutory restrictions on the payment of dividends, the Company does not intend to pay dividends.

PRINCIPLE 16
CONDUCT OF SHAREHOLDER MEETINGS

At each AGM, the Chairman will address the shareholders and present the progress and performance of the Group. The external auditors will be present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditors' report. The Directors, chairpersons of each Board Committee, or members of the respective Committees standing in for them, will endeavour to be present at each AGM and other shareholders' meetings, if any, to address shareholders' queries. The Company will also ensure that appropriate management personnel will be present at each AGM and other shareholders' meetings, to respond to any shareholder enquiries.

A Company Secretary will prepare minutes of the shareholders' meetings, which will include any substantial comments or queries from shareholders and the corresponding responses from the Board and management. These minutes will be made available to shareholders upon request.

Each item of special business included in the notice of the shareholders' meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at such meetings. Resolutions will be put to vote by electronic poll and detailed results showing the number of votes cast for and against each resolution and their respective percentage will be announced.

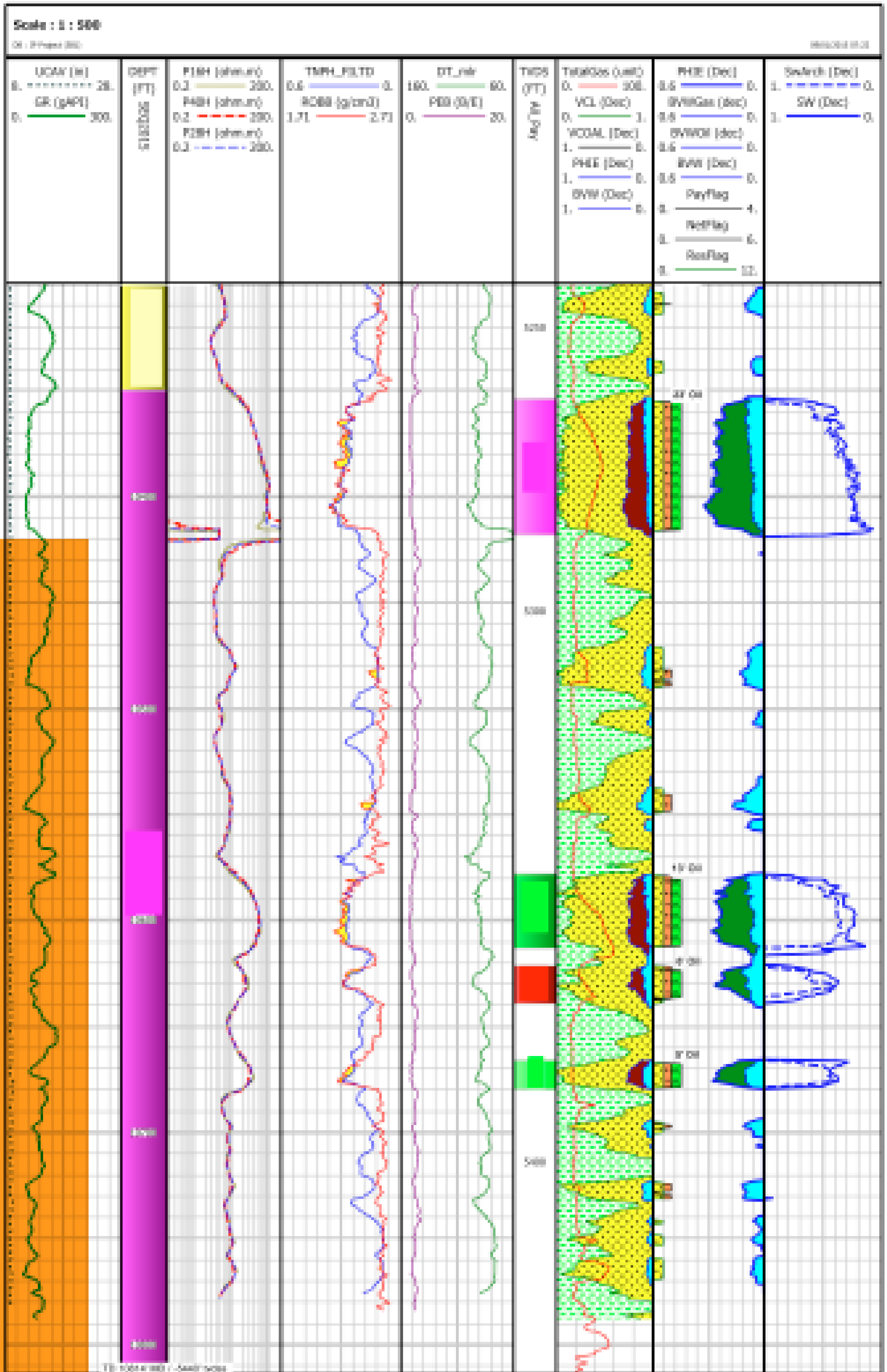
The Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

SECURITIES DEALING

Securities transactions policy

The Company has adopted an internal policy which prohibits the Directors and officers and staff of the Group from dealing in the securities of the Company while in possession of price-sensitive information.

The Directors and officers are also discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the "black-out" period beginning two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements, and ending on the date of the announcement of the relevant results.


Scale : 1 : 500
DEPT (FT)
TVDS (FT)
GR (gAPI)
DT_mk
VCL (Dec)
PHIE (Dec)
BVW (Dec)
SW (Dec)
PayFlag
NetFlag
ResFlag

DIRECTORS' REPORT & CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT & CONSOLIDATED FINANCIAL STATEMENTS

THE DIRECTORS PRESENT HEREIN THEIR REPORT DATED 1 APRIL 2018, TOGETHER WITH THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP AND BALANCE SHEET AND STATEMENT OF CHANGES IN EQUITY OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017.

1 | DIRECTORS

The Directors in office at the date of this Directors' Report are:

Tan Ek Kia
INDEPENDENT NON-EXECUTIVE CHAIRMAN

Kelvin Tang
CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR AND PRESIDENT, CAMBODIA

Kiran Raj
CHIEF FINANCIAL OFFICER, ALTERNATE EXECUTIVE DIRECTOR TO KELVIN TANG AND VICE PRESIDENT FINANCE AND ADMINISTRATION

Chan Hon Chew
NON-EXECUTIVE DIRECTOR

Chris Ong Leng Yeow
NON-EXECUTIVE DIRECTOR

John Koh
NON-EXECUTIVE INDEPENDENT DIRECTOR

Duane Radtke
NON-EXECUTIVE INDEPENDENT DIRECTOR

Alan Nisbet
NON-EXECUTIVE INDEPENDENT DIRECTOR

Keith Pringle
NON-EXECUTIVE INDEPENDENT DIRECTOR

2 | AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises four Independent Directors. Members of the Audit and Risk Management Committee are:

John Koh
CHAIRMAN

Tan Ek Kia

Chris Ong Leng Yeow

Alan Nisbet

Keith Pringle

THE AUDIT AND RISK MANAGEMENT COMMITTEE CARRIED OUT ITS FUNCTION IN ACCORDANCE WITH THE CODE OF CORPORATE GOVERNANCE 2012, INCLUDING THE FOLLOWING:

- review of all financial information and any public financial reporting with management and external auditors for submission to the Board;
- review of significant financial reporting issues and judgements to ensure the integrity of financial statements and any announcements relating to financial performance;
- review of, together with external auditors, the audit plan, audit report, management letter and the responses which the external auditors have received from management on difficulties encountered with management in the course of the audit;
- review of, together with external and internal auditors, and reporting to the Board at least annually, the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls;
- review of, together with internal auditors, the program, scope of results of the internal audit and management's response to findings to ensure that appropriate follow-up measures are taken;
- review at least annually, the adequacy and effectiveness of the internal audit function;
- review of the scope and results of the external audit, and the independence and objectivity of the external auditors;
- review of, together with external auditor the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial information;
- review of interested person transactions for potential conflicts of interest as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interest are put in place;
- assessment of the suitability of an accounting firm as external auditors and recommending to the Board the appointment or re-appointment of such external auditors, approving their compensation and reviewing and approving their discharge;
- review of filings with the SGX-ST or other regulatory bodies which contain financial information and ensuring proper disclosure;
- commissioning and reviewing any findings of internal investigations into matters where there is suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which is likely to be material to the Group;
- obtaining recommendations on risk tolerance and strategy from management, and where appropriate, reporting and recommending to the Board for its determination the nature and extent of significant risks which the Group may take in achieving strategic objectives and the Group's overall level of risk tolerance and risk policies;
- reviewing and discussing, as and when appropriate, with management, the Group's risk governance structure and framework, including risk policies, risk mitigation and monitoring processes and procedures;
- review of quarterly reports from management regarding major risk exposures and steps taken to monitor, control and mitigate such risks;
- review of the Group's capability to identify and manage new risk types;
- review and monitor management's responsiveness to risks and matters identified;
- provide timely input to the Board on critical risk and regulatory compliance issues, material matters, findings and recommendations;
- review of risk management policies and guidelines and monitoring compliance therewith and assessing the adequacy and effectiveness of such risk management function;
- review of policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- review and approval of any hedging policies and hedging instruments;
- reporting to the Board the work performed by the Audit and Risk Management Committee in carrying out its functions;
- monitoring investments in customers, suppliers and competitors made by Directors, controlling shareholders and their respective associates who are involved in the management or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interest;
- review of whistle-blower arrangements instituted by the Group through which staff may in confidence, raise concerns and possible improprieties in matters of financial or other matters; and
- undertake generally such other functions and duties as may be required by the Listing Manual of the SGX-ST and by amendments made thereto from time to time.

The Audit and Risk Management Committee has recommended to the Board of Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

3 | ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares or debentures in the Company or any other body corporate other than the performance shares granted under the KrisEnergy PSP.

4 | DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The interests of Directors holding office at the beginning and end of the financial year in the share capital of the Company or its related corporations according to the Register of Directors' Shareholdings kept by the Company were as follows:

	HOLDINGS REGISTERED IN NAME OF DIRECTORS OR NOMINEES		HOLDINGS IN WHICH DIRECTORS ARE DEEMED TO HAVE AN INTEREST	
NAME OF DIRECTOR	AS AT 31 DECEMBER 2017	AS AT 1 JANUARY 2017 OR DATE OF APPOINTMENT, IF LATER	AS AT 31 DECEMBER 2017	AS AT 1 JANUARY 2017 OR DATE OF APPOINTMENT, IF LATER
Will Honeybourne[1]	–	–	–	–
John Koh	142,000[2]	142,000	–	–
Chris Gibson-Robinson[3]	See footnote 3	888,554	See footnote 3	The aggregate of[4]: (i) 5,545,916 Shares; (ii) up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (iii) up to 1,061,738 PSP Awards
Richard Lorentz[3]	See footnote 3	868,674	See footnote 3	The aggregate of[5]: (i) 5,545,916 Shares; (ii) up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (iii) up to 1,061,738 PSP Awards
Duane Radtke	–	–	2,000,000[6]	2,000,000
Jeffrey S. MacDonald[7]	See footnote 7	500,000[8]	–	–
Tan Ek Kia	142,000	142,000	–	–
Alan Nisbet	–	–	–	–
Keith Pringle	243,308[9]	243,308	–	–
Chan Hon Chew	–	–	–	–
Michael Chia[10]	50,000[10]	50,000	–	–
Kelvin Tang[11]	1,041,525	897,325	The aggregate of: (i) up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) up to 683,777 PSP Awards	The aggregate of: (i) up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) up to 827,977 PSP Awards
Kiran Raj (Alternate Director to Kelvin Tang)[11]	892,565	748,365	Up to 1,153,416 PSP Awards	Up to 1,297,616 PSP Awards

NOTES:

1 Resigned from the Board on 23 February 2017
2 Held through nominee, DBS Nominees Pte Ltd
3 Resigned from the Board on 24 April 2017
4 Chris Gibson-Robinson's deemed interests as at 1 January 2017 comprised:
(i) 5,545,916 Shares held by CKR Resources, of which he is a controlling shareholder;
(ii) Shares awarded to him under the KrisEnergy PSP comprising up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied, subject to certain performance conditions being met and other terms and conditions; and
(iii) up to 1,061,738 Shares awarded to him under the KrisEnergy PSP subject to certain performance conditions being met and other terms and conditions
5 Richard Lorentz's deemed interests as at 1 January 2017 comprised:
(i) 5,545,916 Shares held by CKR Resources, of which he is a controlling shareholder;
(ii) Shares awarded to him under the KrisEnergy PSP (MS-Awards) comprising up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied, subject to certain performance conditions being met and other terms and conditions; and
(iii) up to 1,061,738 Shares awarded to him under the KrisEnergy PSP subject to certain performance conditions being met and other terms and conditions
6 Duane Radtke is deemed interested in the 2,000,000 Shares held by Radtke Investments L.P. ("RILP") as Duane Radtke and his wife are the general partners of RILP and each is able to make investment decisions for RILP. RILP is owned by Duane Radtke (4.0%) and his wife (4.0%) and their two sons (46.0% each)
7 Resigned from the Board on 31 August 2017
8 Held through nominee, Raffles Nominees Pte Ltd
9 Held through nominee, TD Direct Investing (Europe) Ltd
10 Resigned from the Board on 5 January 2018
11 Appointed to the Board on 9 November 2017

According to the Register of Directors' Shareholdings kept by the Company, there are no changes in any of the Directors' interests between the end of the financial year and 21 January 2018.

5 | DIRECTORS' RECEIPT & ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this Annual Report.

6 | KRISENERGY EMPLOYEE SHARE OPTION SCHEME & KRISENERGY PERFORMANCE SHARE PLAN

The Remuneration Committee is responsible for administering the KrisEnergy ESOS and the KrisEnergy PSP. As at the date of this Directors' Report, the members of the Remuneration Committee are as follows:

Duane Radtke
CHAIRMAN

Chan Hon Chew

Alan Nisbet

Keith Pringle

The KrisEnergy ESOS and KrisEnergy PSP were adopted on 10 July 2013, in conjunction with the initial public offering of the Company. The duration of these share-based incentive schemes is 10 years commencing from 10 July 2013.

The KrisEnergy ESOS and KrisEnergy PSP were established with the objective of rewarding, motiving and retaining our employees and Directors to achieve better performance. Through these share-based incentive schemes, we will be able to recognise and reward past contributions and services and motivate eligible employees and Directors to continue to strive for our long-term success.

RESTRICTIONS: The aggregate number of Shares which may be issued pursuant to the options and/or awards granted under the KrisEnergy ESOS and/or the KrisEnergy PSP, when added to the number of Shares issued and/or issuable in respect of all options and awards granted under the KrisEnergy ESOS and KrisEnergy PSP, shall not exceed 15% of the total issued share capital of the Company on the day immediately preceding the date of the relevant grant.

Unless otherwise decided by the Remuneration Committee, the entitlement to any share options or share awards is conditional on the continued employment of the eligible employee or Director up to the specified vesting date.

Special provisions for vesting and lapsing of awards granted under the KrisEnergy ESOS and KrisEnergy PSP apply for events such as the retirement, ill health or termination of employment and any other events approved by the Remuneration Committee. Upon the occurrence of such events, the Remuneration Committee will consider, at its discretion, whether or not to release any award, and will take into account circumstances of each individual case, including but not limited to the contributions made by that employee or Director

ELIGIBILITY: Employees who are not on probation and all Directors (including Non-executive or Independent Directors) of the Group who are in the employment of the Group are eligible to participate in the KrisEnergy ESOS and KrisEnergy PSP. Such an eligible participant must not be an undischarged bankrupt or have entered into a composition with his creditors.

SHARE OPTIONS
As at the date of this Directors' Report, the Company has not issued any share options pursuant to the KrisEnergy ESOS.

SHARE AWARDS
Participants of the KrisEnergy PSP will receive fully paid Shares free of charge, the equivalent in cash, or combinations thereof, provided that conditions are met within a prescribed performance period.

Since the commencement of the KrisEnergy PSP to the end of the financial year under review, PSP Awards comprising an aggregate 22,877,336 Shares have been granted to employees of the Company, including an aggregate of 8,425,241 Shares awarded to the then Executive Directors of the Company.

In addition, awards have been granted under the KrisEnergy PSP on the Listing Date to certain Executive Directors and executive officers of the Company, subject to certain performance conditions being met and other terms and conditions. The maximum number of Shares that may be issued under the MS-Awards is 3.0% of the issued share capital of the Company. Under an MS-Award, each grantee has the conditional right to receive from the Company such number of Shares (fully paid up by the Company as required by law, as to par value) as represents up to one-ninth of 3.0% of the issued ordinary share capital of the Company.

Since the commencement of the KrisEnergy PSP, PSP Awards comprising 16,642,144 Shares had vested, and were allotted and issued to employees, including 3,943,584 Shares to the then Executive Directors as of the end of the financial year in review. Share awards granted, vested and cancelled during the financial year and share awards outstanding as at the end of the financial year, are reflected in the table below:

DATE OF GRANT	TOTAL SHARE AWARDS GRANTED SINCE COMMENCEMENT OF KRISENERGY PSP TO END OF FINANCIAL YEAR UNDER REVIEW	TOTAL SHARE AWARDS VESTED SINCE COMMENCEMENT OF KRISENERGY PSP TO END OF FINANCIAL YEAR UNDER REVIEW	TOTAL SHARE AWARDS CANCELLED SINCE COMMENCEMENT OF KRISENERGY PSP TO END OF FINANCIAL YEAR UNDER REVIEW	BALANCE AS AT 1 JANUARY 2017	BALANCE AS AT 31 DECEMBER 2017
19 JULY 2013 (MS-AWARDS) **DIRECTORS**					
Kelvin Tang	up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	–	–	up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied
OTHERS	up to seven-ninths of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	–	–	up to seven-ninths of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	up to seven-ninths of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied
13 NOVEMBER 2013 **DIRECTORS**					
Kelvin Tang	235,553	235,553	–	–	–
Kiran Raj (Alternate Director to Kelvin Tang)	256,967	256,967	–	–	–
OTHERS	4,937,169	4,832,778	104,391	–	–
25 JUNE 2014 **DIRECTORS**					
Kelvin Tang	235,553	–	–	235,553	235,553
Kiran Raj (Alternate Director to Kelvin Tang)	256,967	–	–	256,967	256,967
OTHERS	1,220,591	–	–	1,220,591	1,220,591
31 DECEMBER 2014 **DIRECTORS**					
Kelvin Tang	448,224	–	–	448,224	448,224
Kiran Raj (Alternate Director to Kelvin Tang)	896,449	–	–	896,449	896,449
OTHERS	2,129,064	–	–	2,129,064	2,129,064
17 MARCH 2015					
EMPLOYEES	647,325	647,325	10,619	205,154	–
9 NOVEMBER 2015 **DIRECTORS**					
Kelvin Tang	432,598	432,598	–	144,200	–
Kiran Raj (Alternate Director to Kelvin Tang)	432,598	432,598	–	144,200	–
OTHERS	10,748,278	9,814,849	933,331	3,125,374	–

Save as disclosed in the table above, no Shares have been awarded under the KrisEnergy PSP to:

(a) any other Director of the Company;
(b) any Controlling Shareholder of the Company;
(c) any director or employee of any parent company and its subsidiaries; or
(d) any participant who has received Shares pursuant to the vesting of awards granted under the KrisEnergy PSP which, in aggregate, represents 5.0% or more of the total number of Shares available under the KrisEnergy PSP.

7 | AUDITORS

Our auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

Tan Ek Kia DIRECTOR | **Kelvin Tang** DIRECTOR

1 APRIL 2018, SINGAPORE

STATEMENT BY DIRECTORS

We, Tan Ek Kia And Kelvin Tang, Being Two Of The Directors Of KrisEnergy Ltd. ("The Company"), Do Hereby State That, In The Opinion Of The Directors,

(i) the accompanying financial statements of the Company and its subsidiaries (collectively, the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2017, the statement of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended together with notes thereto are drawn up so as present fairly, in all material respects, the financial position of the Group and of the Company as at 31 December 2017 and the financial performance of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due, taking into account, among other things, extension of the Revolving Credit Facility as set out in Note 18 to the consolidated financial statements.

ON BEHALF OF THE BOARD OF DIRECTORS

Tan Ek Kia DIRECTOR | **Kelvin Tang** DIRECTOR

1 APRIL 2018, SINGAPORE

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KRISENERGY LTD.
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of KrisEnergy Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of impairment in exploration and evaluation assets, oil and gas properties, and intangible assets

As at 31 December 2017, the Group recorded US$380.9 million of exploration and evaluation assets, US$177.5 million of oil and gas properties, US$8.4 million of intangible assets and US$11.2 million of other property, plant and equipment relating to the oil & gas assets (collectively the "Oil & Gas Assets"), which approximate to 78.2% of the Group's total assets.

Management assessed the recoverability of its Oil and Gas Assets by looking at future cash flows from the respective Oil & Gas Asset ("Financial Model") at 31 December 2017 and its future plans for these assets. They have also engaged an independent qualified person to estimate, where appropriate, the proved, probable and possible reserves for certain of the Oil & Gas Assets, including the future net cash flows arising from such.

The above assessment requires the exercise of significant judgement about and assumptions on, amongst others, the discount rate, oil reserves, expected production volumes and future Brent oil prices.

The Group has made disclosures on the above judgement in Note 3, and further disclosures in Note 11 to the financial statements.

How the audit matter was addressed in the audit

Our audit procedures focused on evaluating and challenging the judgements and key assumptions used by management in performing the impairment review. Such procedures included, amongst others:

- Evaluated the appropriateness of management's defined cash generating units ("CGU") in performing their impairment assessment;
- Reviewed management's budget and plan for the assets, including the funding options for future capital expenditure;
- Compared forecasted oil price assumptions to publicly available forecasts and other market data;
- Engaged our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rate, and compared the independent expectations to those used by management;
- Reviewed the reserve reports prepared by independent qualified person relating to the Group's estimated oil reserves, including having a discussion of the reserve reports with the independent qualified person;
- Assessed the objectivity, competency and capability of the independent qualified person who prepared the reserve reports;
- Agreed the hydrocarbon production profile in the independent qualified person's reserve report to what management has used in their internal financial model; and
- Reviewed the sensitivity tests performed by management on key variables such as (i) oil prices; (ii) discount rates; and (iii) production volume, keeping other assumptions constant.

We have also reviewed the adequacy of the Group's disclosures that has been set out in Note 11 to the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information, included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements in their report dated 15 March 2017.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The engagement partner on the audit resulting in this independent auditor's report is Mr Yang Chi Chih.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

1 April 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	NOTE	2017 US$	2016 US$
Revenue	6	140,700,213	142,831,322
Cost of sales	6	(144,243,061)	(204,892,825)
GROSS LOSS		**(3,542,848)**	**(62,061,503)**
Other income	6	8,350,035	100,159,115
General and administrative expenses		(21,974,859)	(38,570,588)
Other operating expenses		(64,117,995)	(201,168,280)
Finance income		287,456	273,311
Finance costs	6	(53,834,112)	(33,276,107)
LOSS BEFORE TAX	6	**(134,832,323)**	**(234,644,052)**
Tax expense	7	(4,403,223)	(2,444,701)
LOSS FOR THE YEAR		**(139,235,546)**	**(237,088,753)**
OTHER COMPREHENSIVE (LOSS) INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(15,032)	(149,651)
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit obligations	20	(49,321)	135,318
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(139,299,899)**	**(237,103,086)**
LOSS FOR THE YEAR ATTRIBUTABLE TO			
Owners of the Company		(139,235,546)	(235,305,670)
Non-controlling interests		–	(1,783,083)
		(139,235,546)	**(237,088,753)**
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO			
Owners of the Company		(139,299,899)	(235,320,003)
Non-controlling interests		–	(1,783,083)
		(139,299,899)	**(237,103,086)**
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (CENTS PER SHARE)			
Basic	6	(9)	(16)
Diluted	6	(9)	(16)

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

		GROUP		COMPANY	
	NOTE	2017 US$	2016 US$	2017 US$	2016 US$ (Restated)
NON-CURRENT ASSETS					
Exploration and evaluation assets	8	380,947,843	507,419,187	–	–
Oil and gas properties	9	177,540,886	207,418,630	–	–
Other property, plant and equipment	10	11,181,804	11,018,508	–	–
Intangible assets	11	8,444,892	8,444,892	–	–
Investment in subsidiaries	12	–	–	335,572,536	335,047,547
Other receivables	14	4,421,956	11,966,275	729,357,386	644,718,979
		582,537,381	**746,267,492**	**1,064,929,922**	**979,766,526**
CURRENT ASSETS					
Inventories	13	22,569,039	26,802,443	–	–
Trade and other receivables	14	59,863,162	64,283,443	–	–
Prepayments		739,025	1,584,299	101,809	149,782
Other current assets		–	1,919,653	–	1,919,653
Cash and bank balances	15	73,824,848	45,792,339	247,417	4,986,902
		156,996,074	**140,382,177**	**349,226**	**7,056,337**
TOTAL ASSETS		**739,533,455**	**886,649,669**	**1,065,279,148**	**986,822,863**
EQUITY					
Share capital	16	1,878,562	1,874,528	1,878,562	1,874,528
Share premium	16	730,302,151	729,529,098	730,302,151	729,529,098
Other reserves	16	30,524,522	(9,516,108)	41,067,431	1,011,769
Accumulated losses		(602,978,896)	(463,694,029)	(24,307,842)	(43,811,011)
TOTAL EQUITY		**159,726,339**	**258,193,489**	**748,940,302**	**688,604,384**
NON-CURRENT LIABILITIES					
Employee benefit liability	20	1,630,812	1,410,770	–	–
Loans and borrowings	18	276,342,597	287,911,704	276,342,597	139,641,704
Derivative liabilities	22	7,321,468	–	7,321,468	–
Deferred tax liabilities	7	36,836,594	38,404,491	–	–
Provisions	19	42,675,146	50,406,946	–	–
Other payables	17	–	–	25,711,246	26,569,733
		364,806,617	**378,133,911**	**309,375,311**	**166,211,437**
CURRENT LIABILITIES					
Trade and other payables	17	44,199,730	50,987,189	5,923,545	4,537,097
Accrued operating expenses	17	19,486,897	27,952,071	1,039,990	444,809
Loans and borrowings	18	148,270,000	129,051,058	–	89,051,058
Derivative liabilities	22	–	37,974,078	–	37,974,078
Withholding tax payable		215,244	1,044,015	–	–
Tax payable		2,828,628	3,313,858	–	–
		215,000,499	**250,322,269**	**6,963,535**	**132,007,042**
TOTAL LIABILITIES		**579,807,116**	**628,456,180**	**316,338,846**	**298,218,479**
TOTAL EQUITY AND LIABILITIES		**739,533,455**	**886,649,669**	**1,065,279,148**	**986,822,863**

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

GROUP	SHARE CAPITAL	SHARE PREMIUM	ACCUMULATED LOSSES	FOREIGN CURRENCY TRANSLATION RESERVE	EMPLOYEE SHARE OPTION RESERVE	GENERAL RESERVE	TOTAL EQUITY
	US$	US$	US$	US$	US$	US$	US$
BALANCE AT 1 JANUARY 2017	**1,874,528**	**729,529,098**	**(463,694,029)**	**(1,846,781)**	**1,011,769**	**(8,681,096)**	**258,193,489**
Loss net of tax	–	–	(139,235,546)	–	–	–	(139,235,546)
Other comprehensive loss							
Exchange differences on translation of foreign operations	–	–	–	(15,032)	–	–	(15,032)
Re-measurement of defined benefit obligations	–	–	(49,321)	–	–	–	(49,321)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**–**	**–**	**(139,284,867)**	**(15,032)**	**–**	**–**	**(139,299,899)**
Grant of equity-settled share transactions with employees (Note 21)	–	–	–	–	531,161	–	531,161
Vesting of equity-settled share transactions with employees (Note 16)	4,020	771,815	–	–	(775,835)	–	–
Issuance of warrants	–	–	–	–	–	40,300,701	40,300,701
Issuance of shares on warrants exercised (Note 16)	14	1,238	–	–	–	(365)	887
BALANCE AT 31 DECEMBER 2017	**1,878,562**	**730,302,151**	**(602,978,896)**	**(1,861,813)**	**767,095**	**31,619,240**	**159,726,339**

GROUP	ATTRIBUTABLE TO OWNERS OF THE COMPANY							
	SHARE CAPITAL	SHARE PREMIUM	ACCUMULATED LOSSES	FOREIGN CURRENCY TRANSLATION RESERVE	EMPLOYEE SHARE OPTION RESERVE	GENERAL RESERVE	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	US$	US$	US$	US$	US$	US$	US$	US$
BALANCE AT 1 JANUARY 2016	**1,867,564**	**727,245,039**	**(228,523,677)**	**(1,697,130)**	**1,676,876**	**1,515,190**	**(6,833,794)**	**495,250,068**
Loss net of tax	–	–	(235,305,670)	–	–	–	(1,783,083)	(237,088,753)
Other comprehensive loss								
Exchange differences on translation of foreign operations	–	–	–	(149,651)	–	–	–	(149,651)
Re-measurement of defined benefit obligations	–	–	135,318	–	–	–	–	135,318
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**–**	**–**	**(235,170,352)**	**(149,651)**	**–**	**–**	**(1,783,083)**	**(237,103,086)**
Grant of equity-settled share transactions with employees (Note 21)	–	–	–	–	1,625,916	–	–	1,625,916
Vesting of equity-settled share transactions with employees (Note 16)	6,964	2,284,059	–	–	(2,291,023)	–	–	–
Acquisition of non-controlling interests without a change of control	–	–	–	–	–	(10,196,286)	8,616,877	(1,579,409)
BALANCE AT 31 DECEMBER 2016	**1,874,528**	**729,529,098**	**(463,694,029)**	**(1,846,781)**	**1,011,769**	**(8,681,096)**	**–**	**258,193,489**

COMPANY	SHARE CAPITAL	SHARE PREMIUM	ACCUMULATED LOSSES	EMPLOYEE SHARE OPTION RESERVE	GENERAL RESERVE	TOTAL EQUITY
	US$	US$	US$	US$	US$	US$
BALANCE AT 1 JANUARY 2017	**1,874,528**	**729,529,098**	**(43,811,011)**	**1,011,769**	**–**	**688,604,384**
Profit net of tax	–	–	19,503,169	–	–	19,503,169
Other comprehensive income	–	–	–	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**–**	**–**	**19,503,169**	**–**	**–**	**19,503,169**
Grant of equity-settled share transactions with employees (Note 21)	–	–	–	531,161	–	531,161
Vesting of equity-settled share transactions with employees (Note 16)	4,020	771,815	–	(775,835)	–	–
Issuance of warrants					40,300,701	40,300,701
Issuance of shares on warrants exercised (Note 16)	14	1,238	–	–	(365)	887
BALANCE AT 31 DECEMBER 2017	**1,878,562**	**730,302,151**	**(24,307,842)**	**767,095**	**40,300,336**	**748,940,302**
BALANCE AT 1 JANUARY 2016	1,867,564	727,245,039	(21,433,747)	1,676,876	–	709,355,732
Loss net of tax	–	–	(22,377,264)	–	–	(22,377,264)
Other comprehensive income	–	–	–	–	–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**–**	**–**	**(22,377,264)**	**–**	**–**	**(22,377,264)**
Grant of equity-settled share transactions with employees (Note 21)	–	–	–	1,625,916	–	1,625,916
Vesting of equity-settled share transactions with employees (Note 16)	6,964	2,284,059	–	(2,291,023)	–	–
BALANCE AT 31 DECEMBER 2016	**1,874,528**	**729,529,098**	**(43,811,011)**	**1,011,769**	**–**	**688,604,384**

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

OPERATING ACTIVITIES	NOTE	2017 US$	2016 US$
Loss before tax		(134,832,323)	(234,644,052)
Adjustments to reconcile loss before tax to net cash flows			
Depreciation, depletion and amortisation		48,564,373	105,098,952
Decommissioning provisions	19	(2,431,897)	249,223
Employee defined benefit		170,721	(342,753)
Equity-settled share transactions with employees	21	531,161	1,625,916
Gain on transfer and assignment of working interest	6	–	(81,005,772)
Gain on disposal of subsidiary	4	–	(10,607,140)
Impairment loss on exploration and evaluation assets	8	120,720,863	77,855,614
Impairment loss on oil and gas properties	9	–	96,560,724
Impairment loss on intangible assets	11	–	24,513,524
Impairment loss on investment securities		–	216,000
Write-off of joint operations receivables		6,160,000	–
Loss on disposal of other property, plant and equipment		–	44,497
Gain on de-recognition of 2017 Notes and 2018 Notes	6	(73,863,496)	–
Net fair value (gain) loss on financial instruments		(652,195)	1,549,895
Unrealised foreign exchange loss on financial instruments		16,397,749	–
Finance costs		28,828,357	30,954,809
Unwinding of discount on decommissioning provisions	19	2,555,586	2,321,298
Unwinding of discount on Notes	6	22,450,169	–
Interest income		(287,456)	(273,311)
OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		**34,311,612**	**14,117,424**
Inventories		4,233,404	100,892
Trade and other receivables		7,900,077	(18,684,301)
Other current assets		1,919,653	(1,919,653)
Trade and other payables		(8,210,308)	18,496,549
CASH FLOWS GENERATED FROM OPERATIONS		**40,154,438**	**12,110,911**
Interest received		287,456	273,311
Interest paid		(10,902,827)	(13,748,841)
Taxes paid		(6,456,350)	(2,941,730)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**23,082,717**	**(4,306,349)**

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

INVESTING ACTIVITIES	NOTE	2017 US$	2016 US$
Additions to exploration and evaluation assets	8	(37,758,376)	(56,864,022)
Farm-out of exploration and evaluation assets		22,105,464	–
Additions to oil and gas properties	9	(18,436,124)	(20,605,476)
Expenditure on assets refurbishment	10	(380,444)	(416,892)
Proceeds from disposal of other property, plant and equipment		915	1,995
Proceeds from sale of subsidiary	4	–	821,566
Purchase of other property, plant and equipment		(33,192)	(16,163)
NET CASH USED IN INVESTING ACTIVITIES		**(34,501,757)**	**(77,078,992)**
FINANCING ACTIVITIES			
Proceeds from warrants exercised		887	–
Proceeds from bank borrowings		43,000,000	113,270,000
Proceeds from Zero Coupon Notes		94,404,115	–
Financial restructuring expense		(7,809,836)	–
Repayment of bank borrowings		(83,000,000)	–
Payment of bond interest		(7,127,505)	(15,288,243)
Increase in short-term deposits	15	–	(8,270,000)
Decrease in cash collateralised		–	1,500,000
NET CASH FROM FINANCING ACTIVITIES		**39,467,661**	**91,211,757**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**28,048,621**	**9,826,416**
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies		(16,112)	(155,711)
Cash and cash equivalents at beginning of year		37,522,339	27,851,634
CASH AND CASH EQUIVALENTS AT END OF YEAR	**15**	**65,554,848**	**37,522,339**

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1 | CORPORATE INFORMATION

KrisEnergy Ltd. (the "Company") was incorporated on 5 October 2009 as a limited liability company in Cayman Islands. The Company is domiciled in Singapore and is listed on the Singapore Exchange. The financial statements are expressed in United States Dollars ("USD" or "US$") except when otherwise indicated.

The registered office of the Company is located at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

The principal activity of the Company is that of investment holding. The principal activities of the joint arrangements and subsidiaries are disclosed in Note 5 and Note 12 to the consolidated financial statements.

2 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Company and its subsidiaries (collectively the "Group"), have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board.

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value-in-use ("VIU") in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 inputs are unobservable inputs for the asset or liability.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries as at 31 December 2017. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has the rights, to variable return from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recognised in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017. The adoption of these standards did not have any material effect on the financial performance or position of the Group, except for certain presentation improvements arising from Amendments to IAS 7 *Statement of Cash Flows: Disclosure Initiative*.

The Group's liabilities arising from financing activities and a reconciliation between the opening and closing balances of these liabilities are set out in Note 18. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior period. Apart from the additional disclosure in Note 18, the application of these amendments has had no impact on the Group's consolidated financial statements.

2.4 NEW AND REVISED IFRS IN ISSUE BUT NOT YET EFFECTIVE

The Group has not applied the following relevant new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	*Financial Instruments* (1)
IFRS 15	*Revenue from Contracts with Customers (and the related Clarifications)* (1)
IFRS 16	*Leases* (2)
Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions* (1)
IFRIC 22	*Foreign Currency Transactions and Advance Consideration* (1)
IFRIC 23	*Uncertainty over Income Tax Treatments* (2)

(1) Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
(2) Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15 is adopted

Management anticipates that the adoption of the above IFRSs, IFRICs and amendments to IFRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

IFRS 16 *LEASES*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related Interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and lease of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exception) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

Management is currently assessing the potential impact of the new IFRS 16. It is not practicable to provide a reasonable estimate of the financial effect until management completes the review. Management does not plan to early adopt the new IFRS 16.

2.5 BUSINESS COMBINATION AND GOODWILL

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as excess of fair value of net assets acquired over consideration paid in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash generating units ("CGUs") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The CGUs to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

2.6 SUBSIDIARIES

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses.

2.7 JOINT ARRANGEMENTS

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change.

JOINT OPERATIONS

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation,

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When the Group enters into transaction involving a sale or contribution of assets with a joint operation in which it is a joint operator, the Group recognises gains and losses resulting from such a transaction only to the extent of the interests held by the other parties of the joint operation.

When the Group enters into a transaction involving purchase of assets with a joint operation in which it is a joint operator, the Group does not recognise its share of the gains and losses until it resells those assets to a third party. When such transactions provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, the Group recognises its share of those losses.

When the Group enters into a transaction involving the transfer and assignment of working interest in which it is a joint operator with no consideration, the Group recognises gains and losses resulting from such transaction only to the extent of the interests transferred and assigned to the Group and when the transaction provides evidence of future economic benefits.

2.8 FOREIGN CURRENCY

The financial statements are presented in USD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(I) TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(II) CONSOLIDATED FINANCIAL STATEMENTS

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

2.9 OIL AND NATURAL GAS EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

Oil and natural gas exploration, evaluation and development expenditure is accounted for using the successful efforts method of accounting.

PRE-LICENCE COSTS

Pre-licence costs are expensed in the period in which they are incurred.

LICENCE AND PROPERTY ACQUISITION COSTS

Exploration licence and leasehold property acquisition costs are capitalised as intangible assets.

Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned or the licence has been relinquished or has expired, the carrying amount of the licence and property acquisition costs is written off through profit or loss. Upon production of first gas or oil, the relevant expenditure is transferred to oil and gas properties.

EXPLORATION AND EVALUATION COSTS

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is completed and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

If no potentially commercial hydrocarbons are discovered and evaluated results are not used in assessing the commerciality of the asset, the exploration and evaluation asset is written off through profit or loss as a dry hole expense. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g. the drilling of additional wells), it is probable they can be commercially developed, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through profit or loss.

Upon production of first gas or oil, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties.

FARM-OUTS - IN THE EXPLORATION AND EVALUATION PHASE

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal. The Group will test the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired.

DEVELOPMENT COSTS

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development on delineation wells, is capitalised within exploration and evaluation assets, as management believes there are future economic benefits to be obtained for other wells.

2.10 OIL AND GAS PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

INITIAL RECOGNITION

Oil and gas properties and other property, plant and equipment are initially recorded at cost. Subsequent to recognition, other property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, and for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property, plant and equipment.

When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas properties asset additions, improvements or new developments.

DEPRECIATION, DEPLETION AND AMORTISATION

Oil and gas properties are depreciated, depleted and amortised on a unit-of-production basis over the total proved developed and undeveloped reserves of the asset concerned. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area. The unit-of-production rate calculation for the depreciation, depletion and amortisation of asset development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives which are as follows:

Renovation	–	3 Years
Furniture And Fittings	–	3 Years
Office Equipment	–	3 Years
Computers	–	2 Years

Refurbishment assets included in other property, plant and equipment are not depreciated as these assets are not yet available for use.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is de-recognised.

The assets' residual values, useful lives and methods of depreciation, depletion and amortisation are reviewed at each reporting period, and adjusted prospectively, if appropriate.

FARM-OUTS – OUTSIDE THE EXPLORATION AND EVALUATION PHASE

In accounting for a farm-out arrangement outside the exploration and evaluation phase, the Group:

- De-recognises the proportion of the asset that it has sold to the farmee;
- Recognises the consideration received or receivable from the farmee, which represents the cash received and/or the farmee's obligation to fund the capital expenditure in relation to the interest retained by the farmor;
- Recognises a gain or loss on the transaction for the difference between the net disposal proceeds and the carrying amount of the asset disposed of. A gain is only recognised when the value of the consideration can be determined reliably. If not, then the Group accounts for the consideration received as a reduction in the carrying amount of the underlying assets; and
- Tests the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired.

The consideration receivable on disposal of an item of property, plant and equipment or an intangible asset is recognised initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue. Any part of the consideration tha is receivable in the form of cash is treated as a definition of a financial asset and is accounted for at amortised cost.

MAJOR MAINTENANCE, INSPECTION AND REPAIRS

Expenditure on major maintenance re-fits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset, that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day repairs and maintenance costs are expensed as incurred.

2.11 INTANGIBLE ASSETS

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying amount may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

2.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. CGU is the smallest group of assets that independently generates cash flow and whose cash flows is largely independent of the cash flows generated by other assets, which include oil and gas properties, other property, plant and equipment, goodwill and other intangible assets. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's or CGU's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its VIU and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecasts generally cover the period up to the end of oil and gas field's economic life. VIU does not reflect future cash flows associated with improving or enhancing an asset's performance.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.13 FINANCIAL INSTRUMENTS

2.13.1 FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification, as follows:

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

LOANS AND RECEIVABLES

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

The Group has not designated any financial asset upon initial recognition as held-to-maturity investments or available-for-sale financial assets.

DE-RECOGNITION

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- The Group transfers the contractual rights to receive the cash flows of the financial asset; or
- The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a “past-through” arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

FINANCIAL ASSETS CARRIED AT AMORTISED COST

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13.2 EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

WARRANTS

Detachable warrants issued are classified as equity. Warrants are measured at fair value at the date of grant and the proceeds are apportioned to warrants using the relative fair value approach.

2.13.3 FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

FINANCIAL LIABILITIES CARRIED AT AMORTISED COST

Financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

DE-RECOGNITION

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.13.4 EMBEDDED DERIVATIVES

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and it is not expected to be realised or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

2.13.5 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits which are subject to insignificant risk of changes in value.

2.15 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The drilling supplies and materials are accounted for on a first-in first-out basis and crude oil are determined based on a weighted average basis. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying amount of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 LEASES

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

2.17 PROVISIONS

GENERAL

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

DECOMMISSIONING LIABILITY

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed when the inventory item is recognised in cost of goods sold.

Changes in the estimated timing of decommissioning or changes to the decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to oil and gas assets.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying amount is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying amount of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the estimate for the revised value of oil and gas assets net of decommissioning provisions exceed the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discount liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

2.18 HEDGE ACCOUNTING

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

FAIR VALUE HEDGES

The change in the fair value of a hedging derivative is recognised in profit or loss in other operating expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in profit or loss in other operating expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying amount is amortised through profit or loss over the remaining term of the hedge using the effective interest method. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is de-recognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

In 2016, the Group had cross currency swaps that were used as hedges for the exposure of changes in the fair value of its Multi-currency medium term notes. The swaps were terminated in 2017. See Note 22 for more details.

2.19 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue from the sale of oil and gas is recognised when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenue from the production of oil, in which the Group has an interest with other producers, is recognised based on the Group's working interest and the terms of the relevant production sharing contracts.

2.20 EMPLOYEE BENEFITS

(A) DEFINED CONTRIBUTION PLANS

The Group makes contributions to the defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(B) EMPLOYEE LEAVE ENTITLEMENT

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting date.

(C) SHARE-BASED PAYMENTS

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions), and are granted share appreciation rights, which are settled in cash (cash-settled transactions).

EQUITY-SETTLED TRANSACTIONS

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in employee share option reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimates of the number of equity instruments that will ultimately vest. The profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense in Note 21.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

CASH-SETTLED TRANSACTIONS

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 21. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense in Note 21.

(D) DEFINED BENEFIT PLAN

The Group operates defined benefit pension plans in Indonesia and Thailand, which are governed by the local labour laws.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligations (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any) adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. If there is no deep market for high quality corporate bonds, the Group derives the discount rate based on government bonds instead. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Re-measurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

2.21 TAXES

CURRENT TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current taxes are recognised in profit and loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

ROYALTIES, RESOURCE RENT TAX AND REVENUE-BASED TAXES

In addition to corporate taxes, the Group's consolidated financial statements also include and recognise taxes on income, other type of taxes on net income which are calculated based on oil and gas production.

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government tax authority and the amount payable is based on taxable income - rather than based on physical quantity produced or as a percentage of revenue - after adjustment for temporary differences. For such arrangements, current and deferred tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements and other types of taxes that do not satisfy these criteria are recognised as current provisions and included in cost of sales.

PRODUCTION-SHARING AGREEMENTS

According to the production-sharing agreements ("PSA"), the share of the profit oil to which the government is entitled in any calendar year, is deemed to include a portion representing the corporate income tax imposed upon and due by the Group. This amount will be paid directly by the government on behalf of the Group to the appropriate tax authorities. This portion of tax and revenue are presented net in profit or loss.

3 | SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

HYDROCARBON RESERVE AND RESOURCE ESTIMATES

The Group has engaged an independent qualified person to estimate the proved, probable and possible reserves for certain of the Group's exploration and evaluation assets and oil and gas properties, and such reserves are determined in accordance with Society of Petroleum Engineers' rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by the independent qualified person and internal experts relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates.

Recoverable reserves are determined by taking into consideration, amongst other factors, future development costs, discount rates, operating costs, decommissioning costs, exploration potential, and future hydrocarbon prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the PSA.

Future development costs are estimated using assumptions as to number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The oil price assumption is derived based on the average forecast for Brent Crude future prices and adjusted for quality, transportation fees and regional price differences. The Group's average forecast for Brent Crude future prices range from US$60 to US$80 (2016: US$50 to US$85) per barrel.

As the economic assumptions used may change and as additional geological information is obtained during the operation of an asset, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results, including amongst others, on items such as (i) impairment assessment of the Group's exploration and evaluation assets, oil and gas properties, and intangible assets; (ii) depreciation, depletion and amortisation charges; (iii) inventory cost; (vi) provisions for decommissioning; and (iv) deferred tax assets.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

RECOVERABILITY OF OIL AND GAS ASSETS

The Group assesses each asset or CGU at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amounts is made, which is considered to be the higher of fair value less costs to sell and VIU.

As discussed in Note 3.1, the Group has engaged an independent qualified person to estimate the proved, probable and possible reserves, including the future net cash flows arising from such. Management uses the valuation amounts to form the basis for their impairment review, and may adjust such valuation with other estimates which may include discount rates and development plans that are not covered by the independent qualified person. These estimates and assumptions are subject to risk and uncertainty. Changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGU.

The carrying amount of the Group's exploration and evaluation assets, oil and gas properties and intangible assets are disclosed in Notes 8, 9 and 11 to the financial statements respectively. The sensitivity analysis is disclosed in Note 11 to the financial statements.

EXPLORATION AND EVALUATION EXPENDITURES

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, either from future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economical viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

DECOMMISSIONING COSTS

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. Consequently, the timing and amounts of future cash flows are subject to significant uncertainty. Changes in the expected future costs are reflected in both the provision and the asset and could have a material impact on the Group's financial statements.

The carrying amount of the Group's provision for decommissioning is disclosed in Note 19 to the financial statements.

FAIR VALUE MEASUREMENTS

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in estimates and assumptions about these inputs could affect the reported fair value.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 18, 22 and 25 to the financial statements.

TAXES

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Group has exposure to income taxes in various jurisdictions due to the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements. Significant judgement is involved in determining the group-wide provision for income taxes and recoverability of certain tax from the tax authorities. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Further details on taxes are disclosed in Note 7.

4 | BUSINESS COMBINATIONS

DISPOSAL IN 2016

WASSANA G10 LIMITED ("WG10")

On 30 March 2016, the Group completed its disposal of a 100% equity interest in Wassana G10 Limited, which held a 11.0% working interest in the G10/48 Concession to Palang Sophon Offshore ("PSO"), for a consideration of US$41.3 million. The consideration consisted of cash consideration of US$1.6 million and settlement of shareholder loan between PSO and the Group.

The carrying amount of the identifiable assets and liabilities of WG10 as at date of disposal was

	CARRYING AMOUNT ON DISPOSAL
STATEMENT OF FINANCIAL POSITION	US$
ASSETS	
Oil and gas properties	27,438,390
Trade and other receivables	12,940,349
Inventories	1,369,052
Cash and bank balances	785,445
	42,533,236
LIABILITIES	
Trade and other payables	45,805,696
Accrued operating expenses	1,199,034
Provisions	636,445
	47,641,175
Total identifiable net liabilities at carrying amount	(5,107,939)
Intra-group settlement	(3,892,190)
Gain on disposal of subsidiary	10,607,140
Consideration received in cash	**1,607,011**
Less: cash and bank balances	(785,445)
NET CASH INFLOW ON DISPOSAL	**821,566**

Included in trade and other payables was WG10 intra-group payables of US$3.9 million, which was included as part of the consideration receivable from PSO.

5 | INTERESTS IN OIL & GAS BLOCKS

The Group holds interests in each contract area for the right to explore and produce oil and gas. The Group's interests in oil and gas blocks are listed in the following table.

For each contract area where the Group and other partners jointly hold interests in, the respective interests are accounted for as joint operations.

CONTRACT AREA (DATE OF EXPIRY)	HELD BY	DESCRIPTION	PLACE OF OPERATON	% OF EFFECTIVE WORKING INTEREST	
				2017	2016
G10/48 Concession (7 December 2035)	KrisEnergy (Gulf of Thailand) Ltd. (25.0%) and KrisEnergy G10 (Thailand) Ltd. (64.0%)	Exploration and production of petroleum under Concession Agreement with Department of Mineral Fuels	Gulf of Thailand	89.00	89.00
G11/48 Concession (12 February 2036)	KrisEnergy (Gulf of Thailand) Ltd.	Exploration and production of petroleum under Concession Agreement with Departmentof Mineral Fuels	Gulf of Thailand	22.50	22.50
Cambodia Block A PA (22 August 2042) (1)	KrisEnergy (Cambodia) Ltd. (23.75%) and KrisEnergy (Apsara) Ltd. (71.25%)	Drilling of exploration wells under the Petroleum Agreement ("PA") with Cambodian Ministry of Mines and Energy	Offshore Cambodia	95.00	100.00
Kutai PSC (15 January 2037)(3)	KrisEnergy Kutai B.V. (24.6%) and KrisEnergy Kutei B.V. (30.0%)	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	54.60	54.60
B8/32 Concession (31 July 2030)	KrisEnergy (Gulf of Thailand) Ltd./ Orange Energy Ltd./ B8/32 Partners Ltd.	Exploration and production of petroleum under Concession Agreement with Department of Mineral Fuels	Gulf of Thailand	4.63	4.63
B9A Concession (16 July 2041)	KrisEnergy (Gulf of Thailand) Ltd./ Orange Energy Ltd.	Exploration and production of petroleum under Concession Agreement with Department of Mineral Fuels	Gulf of Thailand	4.63	4.63
Block 105 PSC (2 February 2040) (3)	KrisEnergy (Song Hong 105) Ltd.	Exploration and development of petroleum under Production Sharing Contract with Vietnam Government Authority	Offshore Vietnam	51.00	51.00
Block 120 PSC (22 January 2039)	KrisEnergy (Phu Khanh 120) Ltd.	Exploration and development of petroleum under Production Sharing Contract with Vietnam Government Authority	Offshore Vietnam	33.33	33.33
East Seruway PSC (12 November 2038)	KrisEnergy East Seruway B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	100.00	100.00
Bulu PSC (13 October 2033)	KrisEnergy (Satria) Ltd.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	42.50	42.50
East Muriah PSC (12 November 2038) (3)	KrisEnergy (East Muriah) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	50.00	50.00
Bala-Balakang PSC (18 December 2041)	KrisEnergy (Bala-Balakang) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	85.00	85.00
Udan Emas PSC (19 July 2042)	KrisEnergy (Udan Emas) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	100.00	100.00
Block 9 PSC (26 August 2033)	KrisEnergy Bangladesh Ltd.	Exploration and production of petroleum under Production Sharing Contract with Bangladesh Governmental Authority	Bangladesh	30.00	30.00
G6/48 Concession (7 January 2036)	KrisEnergy (Gulf of Thailand) Ltd.	Exploration and production of petroleum under Concession Agreement with Department of Mineral Fuels	Gulf of Thailand	30.00	30.00
Sakti PSC (25 February 2044)	KrisEnergy (Sakti) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	95.00	95.00
Block 115/09 PSC (30 March 2044)	KrisEnergy (Vietnam 115) Ltd.	Exploration and development of petroleum under Production Sharing Contract with Vietnam Government Authority	Offshore Vietnam	100.00	100.00
Block SS-11 PSC (11 March 2019)	KrisEnergy (Asia) Ltd.	Exploration and development of petroleum under Production Sharing Contract with Bangladesh Governmental Authority	Bangladesh	45.00	45.00
Block A Aceh PSC (31 August 2031) (2)	KrisEnergy (Block A Aceh) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	15.00	41.67

(1) Pursuant to the Deed of Assignment and Assumption dated 23 August 2017, KrisEnergy (Apsara) Ltd and KrisEnergy (Cambodia) Ltd assigned and transferred 5.0% working interest in Cambodia Block A to the Government Contract Party. In 2016, a gain on transfer and assignment of working interest of US$81.0 million was recognised in profit or loss for a transfer and assignment of 45.0% to the Group

(2) On 17 April 2017, the Government of Indonesia and the provincial government of Aceh approved the farm-out of 26.6666% working interest in the Block A Aceh PSC to PT Medco E&P Melaka. A reduction of exploration and evaluation assets of US$43.5 million has been recognised to reflect the decrease in working interest in the asset. In the fourth quarter of 2017, the Company ceased participation in the asset. The Company is awaiting approval of the Government of Indonesia for the takeover of the residual 15.0% working interest

(3) The Company is in the process of relinquishment for this asset

6 | LOSS BEFORE TAX

The following items have been included in arriving at loss before tax

GROUP	2017 US$	2016 US$
REVENUE:		
Sale of crude oil	122,836,323	121,589,282
Sale of gas	17,863,890	21,242,040
	140,700,213	**142,831,322**
COST OF SALES:		
Depreciation, depletion and amortisation of oil and gas properties	(48,313,868)	(104,480,341)
Operating costs	(82,293,794)	(81,823,774)
Thai Petroleum royalties paid	(11,213,416)	(11,507,959)
Inventories written down (Note 13)	(2,421,983)	(7,080,751)
	(144,243,061)	**(204,892,825)**
OTHER INCOME:		
Gain on transfer and assignment of working interest (Note 8)	–	81,005,772
Gain on disposal of subsidiary (Note 4)	–	10,607,140
Joint operator overhead charges	1,280,386	1,317,577
Income from shared facilities in joint operations	475,065	350,081
Income from technical services provided to joint operations	2,496,287	2,764,983
Others	4,098,297	4,113,562
	8,350,035	**100,159,115**
GENERAL AND ADMINISTRATIVE EXPENSES ARE MAINLY MADE UP OF THE FOLLOWING ITEMS:		
Consultants' fees	(469,640)	(835,952)
Depreciation of other property, plant and equiptment (Note 10)	(250,505)	(618,611)
EMPLOYEE BENEFITS EXPENSE		
Salaries and bonuses	(9,001,285)	(10,370,626)
Share-based payments (Note 21)	(473,162)	(1,662,911)
Central Provident Fund contributions	(127,781)	(191,165)
Employee defined benefit	(1,440,411)	(505,752)
Other short-term benefits	(650,510)	(489,048)
Operating lease expense	(594,247)	(770,475)
Professional fees	(4,428,810)	(3,994,923)

GROUP	2017 US$	2016 US$
OTHER OPERATING EXPENSES ARE MAINLY MADE UP OF THE FOLLOWING ITEMS:		
Impairment losses on exploration and evaluation assets (Note 8)	(120,720,863)	(77,855,614)
Impairment losses on oil and gas properties (Note 9)	–	(96,560,724)
Impairment losses on intangible assets (Note 11)	–	(24,513,524)
Impairment losses on investment securities	–	(216,000)
Write-off of joint operations receivables	(6,160,000)	–
Joint study expenses	(369,613)	–
Gain on de-recognition of 2017 Notes and 2018 Notes (Note 18)	73,863,496	–
Net fair value loss on embedded derivatives (Note 22)	(2,145,937)	–
Net fair value gain (loss) on hedge (Note 22)	2,798,132	(1,549,895)
FINANCE COSTS:		
Financing fees	(8,785,214)	(9,510,007)
Interest on bank borrowings	(10,695,435)	(7,219,269)
Interest on Multi-currency medium term notes	(9,347,708)	(14,225,533)
Unwinding of discount on decommissioning provisions (Note 19)	(2,555,586)	(2,321,298)
Unwinding of discount on Notes	(22,450,169)	–
	(53,834,112)	**(33,276,107)**

THAI PETROLEUM ROYALTIES AND REMUNERATION PAID

Under the terms of the Thai I regime, the concessionaire is required to pay production royalties to the Royal Thai Government computed based on 12.5% of value of petroleum sold for payment in cash and in kind respectively.

Under the Thai III regime, the concessionaire is required to pay production royalties to the Royal Thai Government computed based on sliding scale rates from 5.0% to 15.0% of the value of petroleum sold or disposed during the month, depending on the number of barrels sold or disposed during the month.

Special remuneration benefit ("SRB") is tax payable only in years concessionaire has petroleum profit. In calculating such profit (or loss), capital expenditure, operating costs and a special reduction of 35.0% operating expenses for the year and petroleum loss carried forward indefinitely from prior years may be deducted. SRB is calculated by exploration block on income per meter of well, subject to a ceiling of 75.0% of petroleum profit.

LOSS PER SHARE

Basic loss per share are calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share are calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the vesting of all performance shares under the Performance Share Plan (Note 21).

The following tables reflect the profit and share data used in the computation of basic and diluted loss per share for the years ended 31 December

GROUP	2017 US$	2016 US$
Loss for the year attributable to owners of the Company used in the computation of basic and diluted loss per share	(139,235,546)	(235,305,670)
	NO. OF SHARES	**NO. OF SHARES**
Weighted average number of ordinary shares for basic loss per share computation	1,499,749,865	1,494,942,587
Effects of dilution		
– Vesting of performance shares	9,098,533	14,185,030
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR DILUTED LOSS PER SHARE COMPUTATION	**1,508,848,398**	**1,509,127,617**

During the year, the Company issued 1,255,183,632 detachable warrants pursuant to the Zero Coupon Notes (Note 18). The warrants were not included in calculating diluted loss per share because they are anti-dilutive.

7 | TAXATION

The major components of tax expense for the years ended 31 December 2017 and 2016 are

GROUP	2017 US$	2016 US$
CURRENT TAX		
– Current tax charge	5,944,867	4,964,307
– Under provision in respect of previous years	26,253	35,840
	5,971,120	**5,000,147**
DEFERRED TAX		
– Reversal of temporary differences	(1,567,897)	(2,555,446)
TAX EXPENSE RECOGNISED IN PROFIT OR LOSS	**4,403,223**	**2,444,701**

RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING LOSS

A reconciliation between tax expense and the accounting loss multiplied by the applicable tax rate for the years ended 31 December 2017 and 2016 are as follows

GROUP	2017 US$	2016 US$
Loss before tax	(134,832,323)	(234,644,052)
Tax at domestic rates applicable in the countries where the Group operates	(37,146,614)	(18,880,266)
ADJUSTMENTS		
Non-deductible expenses	33,620,797	25,053,187
Income not subject to tax	(2,480,239)	(24,482,056)
Effect of previously unrecognised and unused tax losses	(5,736,101)	–
Deferred tax assets not recognised	16,119,127	20,717,996
Under provision in respect of previous years	26,253	35,840
TAX EXPENSE RECOGNISED IN PROFIT OR LOSS	**4,403,223**	**2,444,701**

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

Pursuant to the tax rules and regulations in Singapore, Thailand, Indonesia, Vietnam and Cambodia, the subsidiaries located in the aforementioned countries are liable to taxes ranging from 17.0% to 50.0%, on the assessable profits generated in these countries.

DEFERRED TAX

Deferred tax liabilities at 31 December relate to the following

GROUP FAIR VALUE ADJUSTMENT ON ACQUIRED RESERVES	US$
At 1 January 2016	40,959,937
Credit to profit or loss for the year	(2,555,446)
At 31 December 2016	**38,404,491**
Credit to profit or loss for the year	(1,567,897)
AT 31 DECEMBER 2017	**36,836,594**

Deferred tax assets have not been recognised in respect of these temporary differences and tax losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operates. The tax losses have an expiry period of 10 years.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

GROUP	2017 US$	2016 US$
Differences in depreciation, depletion and amortisation for tax purposes	75,619,537	66,785,872
Unutilised tax losses	195,714,756	171,980,808
	271,334,293	**238,766,680**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

8 | EXPLORATION & EVALUATION ASSETS

GROUP	US$
COST	
At 1 January 2016	447,989,316
Additions	56,864,022
Transfer and assignment of working interest (Note 5)	81,005,772
At 31 December 2016	**585,859,110**
Additions	37,758,376
Farm-out of working interest (Note 5)	(43,508,857)
At 31 December 2017	**580,108,629**
ACCUMULATED IMPAIRMENT	
At 1 January 2016	584,309
Impairment losses (Note 11)	77,855,614
At 31 December 2016	**78,439,923**
Impairment losses (Note 11)	120,720,863
At 31 December 2017	**199,160,786**
NET BOOK VALUE	
AT 31 DECEMBER 2017	**380,947,843**
AT 31 DECEMBER 2016	**507,419,187**

9 | OIL & GAS PROPERTIES

GROUP	US$
COST	
At 1 January 2016	654,093,916
Additions	20,605,476
Disposal (Note 4)	(30,304,844)
At 31 December 2016	**644,394,548**
Additions	18,436,124
At 31 December 2017	**662,830,672**
ACCUMULATED DEPRECIATION, DEPLETION AND AMORTISATION	
At 1 January 2016	205,062,529
Charge for the year	104,255,785
Disposal (Note 4)	(2,866,454)
At 31 December 2016	**306,451,860**
Charge for the year	48,313,868
At 31 December 2017	**354,765,728**
ACCUMULATED IMPAIRMENT	
At 1 January 2016	33,963,334
Impairment losses (Note 11)	96,560,724
At 31 December 2016 and December 2017	**130,524,058**
NET BOOK VALUE	
AT 31 DECEMBER 2017	**177,540,886**
AT 31 DECEMBER 2016	**207,418,630**

10 | OTHER PROPERTY, PLANT & EQUIPMENT

GROUP	RENOVATION	FURNITURE AND FITTINGS	OFFICE EQUIPMENT	COMPUTERS	REFURBISHMENT ASSETS	TOTAL
	US$	US$	US$	US$	US$	US$
COST						
At 1 January 2016	1,541,230	213,826	318,647	1,437,094	10,323,937	13,834,734
Additions	595	337	–	15,231	416,892	433,055
Disposals	(313,976)	(37,226)	(12,774)	(120)	–	(364,096)
Exchange differences	(1,490)	859	97	(12,655)	–	(13,189)
At 31 December 2016	**1,226,359**	**177,796**	**305,970**	**1,439,550**	**10,740,829**	**13,890,504**
Additions	–	3,613	–	29,579	380,444	413,636
Disposals	–	–	–	(6,519)	–	(6,519)
Exchange differences	49,743	2,050	941	58,793	–	111,527
At 31 December 2017	**1,276,102**	**183,459**	**306,911**	**1,521,403**	**11,121,273**	**14,409,148**
ACCUMULATED DEPRECIATION						
At 1 January 2016	1,199,178	119,493	115,514	1,180,929	–	2,615,114
Charge for the year	265,536	51,596	94,891	206,588	–	618,611
Disposals	(313,976)	(22,749)	(2,686)	(120)	–	(339,531)
Exchange differences	(3,914)	131	(5,051)	(13,364)	–	(22,198)
At 31 December 2016	**1,146,824**	**148,471**	**202,668**	**1,374,033**	**–**	**2,871,996**
Charge for the year	72,031	26,720	80,918	70,836	–	250,505
Disposals	–	–	–	(5,604)	–	(5,604)
Exchange differences	49,743	1,944	942	57,818	–	110,447
At 31 December 2017	**1,268,598**	**177,135**	**284,528**	**1,497,083**	**–**	**3,227,344**
NET CARRYING AMOUNT						
AT 31 DECEMBER 2017	**7,504**	**6,324**	**22,383**	**24,320**	**11,121,273**	**11,181,804**
AT 31 DECEMBER 2016	**79,535**	**29,325**	**103,302**	**65,517**	**10,740,829**	**11,018,508**

11 | INTANGIBLE ASSETS

GROUP	GOODWILL	OTHERS	TOTAL
	US$	US$	US$
COST			
At 1 January 2016, 31 December 2016 and 31 December 2017	**106,039,993**	**1,669,721**	**107,709,714**
ACCUMULATED AMORTISATION			
At 1 January 2016	–	92,168	92,168
Charge for the year	–	224,556	224,556
At 31 December 2016 and 31 December 2017	**–**	**316,724**	**316,724**
ACCUMULATED IMPAIRMENT			
At 1 January 2016	73,857,139	577,435	74,434,574
Impairment losses	23,737,962	775,562	24,513,524
At 31 December 2016 and 31 December 2017	**97,595,101**	**1,352,997**	**98,948,098**
NET CARRYING AMOUNT			
AT 31 DECEMBER 2017	**8,444,892**	**–**	**8,444,892**
AT 31 DECEMBER 2016	**8,444,892**	**–**	**8,444,892**

GOODWILL

Goodwill arises principally because of the following factors:
(a) The going concern value implicit in our ability to sustain and/or grow our business by increasing reserves and resources through new discoveries
(b) The ability to capture unique synergies that can be realised from managing a portfolio of both acquired and existing assets

ALLOCATION OF GOODWILL

For the purposes of assessing for any impairment, goodwill acquired through business combinations have been allocated as follows

GROUP	2017 US$	2016 US$
Bulu PSC	7,144,606	7,144,606
Cambodia Block A PA	1,300,286	1,300,286
	8,444,892	**8,444,892**

IMPAIRMENT TESTING

Impairment losses on exploration and evaluation assets, oil and gas properties and intangible assets have been recognised as follows

GROUP	2017 US$	2016 US$
Exploration and evaluation assets (Note 8)	120,720,863	77,855,614
Oil and gas properties (Note 9)	–	96,560,724
Goodwill	–	23,727,962
Other intangible assets (Note 11)	–	775,562
	120,720,863	**198,919,862**

During the year ended 31 December 2017, an impairment loss on exploration and evaluation assets of US$120.7 million was recognised as the Group has decided to cease participation in the asset.

In 2016, impairment losses on exploration and evaluation assets and other intangible assets of US$77.9 million was recognised in relation to the exploration assets of which the right to explore in these areas have expired or are near expiry, and the Group has no intention to extend the exploration period. Impairment losses on oil and gas properties, goodwill and other intangible assets of US$121.0 million was also recognised to write down the CGU's carrying amount to its recoverable amount. The recoverable amount of each CGU is determined based on a VIU calculation.

The calculation of VIU of the oil exploration and production CGU is most sensitive to the following assumptions:

- Production volumes
- Discount rates
- Crude oil prices

Estimated production volumes are based on detailed data for the assets and take into account development plans for the assets agreed by management as part of the long-term planning process.

As at 31 December 2017, no impairment charge (2016: US$23.7 million) was required for goodwill arising from the acquisition of exploration and evaluation assets, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable value to be below their carrying amounts.

The Group generally estimates VIU for the oil exploration and production CGU using a discounted cash flow model. The future cash flows are discounted to their present value using a pre-tax discount rate of 8.0% to 10.0% (2016: 8.0% to 10.0%) that reflects current market assessments of the time value of money and the risks specific to the asset. The discount rate is derived from the Group's weighted average cost of capital ("WACC"), with appropriate adjustments made to reflect the risks specific to the CGU.

Oil prices are based on average forecast for Brent Crude future prices and adjusted for quality, transportation fees and regional price differences. The Group's calculation incorporates a range of oil prices from US$60 to US$80 (2016: US$50 to US$85) per barrel.

12 | INVESTMENT IN SUBSIDIARIES

COMPANY	2017 US$	2016 US$
Unquoted shares, at cost	326,809,783	326,809,783
Capital contribution for share-based payments	8,762,753	8,237,764
	335,572,536	**335,047,547**

Details of the Group's significant subsidiaries at 31 December are as follows

NAME OF ENTITIES	PRINCIPAL ACTIVITIES	PRINCIPAL PLACE OF BUSINESS	COUNTRY OF INCORPORATION	% OF EQUITY INTEREST	
				2017	2016
KrisEnergy (Asia) Ltd.	Investment holding	Singapore	British Virgin Islands	100	100
KrisEnergy Pte. Ltd.	Provision of management support service	Singapore	Singapore	100	100
KrisEnergy (Gulf of Thailand) Ltd.[(1)(2)]	Investment holding	Thailand	Cayman Islands	100	100
KrisEnergy (Cambodia) Ltd	Exploration and production of oil and gas	Cambodia	Cambodia	100	100
KrisEnergy (Phu Khanh) 120 Ltd[(1)(2)]	Exploration and production of oil and gas	Vietnam	British Virgin Islands	100	100
KrisEnergy (Vietnam 115) Ltd[(1)(2)]	Exploration and production of oil and gas	Vietnam	British Virgin Islands	100	100
KrisEnergy East Seruway B.V.[(1)(2)]	Exploration and production of oil and gas	Indonesia	The Netherlands	100	100
KrisEnergy (Satria) Ltd[(1)(2)]	Exploration and production of oil and gas	Indonesia	British Virgin Islands	100	100
KrisEnergy (Sakti) B.V.[(1)(2)]	Exploration and production of oil and gas	Indonesia	The Netherlands	100	100
KrisEnergy (Bala-Balakang) B.V.[(1)(2)]	Exploration and production of oil and gas	Indonesia	The Netherlands	100	100
KrisEnergy (Udan Emas) B.V.[(1)(2)]	Exploration and production of oil and gas	Indonesia	The Netherlands	100	100
KrisEnergy Bangladesh Limited[(1)(2)]	Exploration and production of oil and gas	Bangladesh	Jersey	100	100
KrisEnergy (Apsara) Ltd.[(1)(2)]	Exploration and production of oil and gas	Cambodia	Bermuda	100	100
KrisEnergy G10 (Thailand) Ltd.	Exploration and production of oil and gas	Thailand	Thailand	100	100
KrisEnergy (Block A Aceh) B.V.[(1)(2)]	Exploration and production of oil and gas	Indonesia	The Netherlands	100	100
KrisEnergy Marine B.V.	Charter and sub-charter of Mobile Offshore Production Unit	Singapore	The Netherlands	100	100
SJ Production Barge Ltd[(3)]	Investment holding	Singapore	British Virgin Islands	100	100
KrisEnergy (East Muriah) Limited	Exploration and production of oil and gas	Indonesia	British Virgin Islands	100	100
KrisEnergy Kutai B.V.	Exploration and production of oil and gas	Indonesia	The Netherlands	100	100
KrisEnergy Kutei B.V.	Exploration and production of oil and gas	Indonesia	The Netherlands	100	100
KrisEnergy (Song Hong 105) Ltd[(1)(2)]	Exploration and production of oil and gas	Vietnam	British Virgin Islands	100	100

(1) Capital stock in this entity pledged as collateral for Revolving Credit Facility (Note 18)
(2) Capital stock in this entity pledged as junior ranking security under the Zero Coupon Notes (Note 18)
(3) Capital stock in this entity pledged as first ranking security under the Zero Coupon Notes (Note 18)

DETAILS OF COMPOSITION OF THE GROUP

Information about the composition of the Group at the end of the financial year is as follows

PRINCIPAL PLACE OF BUSINESS	PRINCIPAL ACTIVITIES	NUMBER OF WHOLLY-OWNED SUBSIDIARIES	
		2017	2016
Bangladesh	Exploration and production of oil and gas	1	1
Cambodia	Exploration and production of oil and gas	2	2
Indonesia	Exploration and production of oil and gas	14	14
Singapore	Charter and sub-charter of Mobile Offshore Production Unit	1	1
Singapore	Investment holding	12	11
Singapore	Provision of management support service	1	1
Singapore	Provision of offshore management support service	1	1
Thailand	Exploration and production of oil and gas	3	3
Thailand	Investment holding	2	2
Vietnam	Exploration and production of oil and gas	3	3
TOTAL		**40**	**39**

13 | INVENTORIES

GROUP	2017 US$	2016 US$
BALANCE SHEET		
Drilling supplies and materials	10,201,243	19,155,611
Crude oil	12,367,796	7,646,832
	22,569,039	**26,802,443**
PROFIT OR LOSS		
Inventories recognised as an expense in cost of sales	99,779,055	148,850,864
INCLUSIVE OF THE FOLLOWING CHARGE		
Inventories written down (Note 6)	2,421,983	7,080,751

14 | TRADE & OTHER RECEIVABLES

	GROUP		COMPANY	
	2017 US$	**2016** US$	**2017** US$	**2016** US$
TRADE AND OTHER RECEIVABLES (CURRENT)				
Trade receivables	8,981,261	10,035,427	–	–
Refundable deposits	323,158	366,345	–	–
Other receivables	39,273,651	34,857,740	–	–
Joint operation receivables	11,285,092	19,023,931	–	–
	59,863,162	**64,283,443**	**–**	**–**
OTHER RECEIVABLES (NON-CURRENT)				
Other receivables	4,421,956	11,966,275	–	–
Amounts due from subsidiaries	–	–	729,357,386	644,718,979
TOTAL TRADE AND OTHER RECEIVABLES (CURRENT AND NON-CURRENT)	**64,285,118**	**76,249,718**	**729,357,386**	**644,718,979**
C ash and bank balances (Note15)	73,824,848	45,792,339	247,417	4,986,902
Value added tax receivables	(25,725,863)	(28,098,297)	–	–
TOTAL LOANS AND RECEIVABLES	**112,384,103**	**93,943,760**	**729,604,803**	**649,705,881**

OTHER RECEIVABLES (CURRENT) COMPRISE

	GROUP		COMPANY	
	2017 US$	**2016** US$	**2017** US$	**2016** US$
Payment on behalf of joint operation's partners	6,168,802	8,933,530	–	–
Proportionate share of joint operation's other receivables	11,501,511	8,982,014	–	–
Value added tax receivables	21,303,907	16,132,022	–	–
Others	299,431	810,174	–	–
	39,273,651	**34,857,740**	**–**	**–**

Trade receivables are non-interest bearing and are generally on 30-day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Joint operation receivables and other receivables relate to amounts due from the joint operators for cash calls and expenses incurred on their behalf in excess of the Group's obligation. These amounts are unsecured, non-interest bearing, and will be settled by future cash calls within the next 12 months.

Amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing, and repayable upon demand. Amounts due from subsidiaries have been classified as non-current assets as the Company does not expect for repayment within 12 months after the reporting date.

Trade and other receivables denominated in foreign currencies at 31 December are as follows

GROUP	2017 US$	2016 US$
Thai Baht	210,709	891,097

At reporting date, the Group has value added tax receivables with a nominal amount of US$21.3 million (2016: US$16.1 million). For the year ended 31 December 2017, US$4.0 million (2016: US$4.0 million) of value added tax receivables was written off as the claims may not be recoverable due to the Group's decision to cease participation in the assets.

15 | CASH & BANK BALANCES

	GROUP		COMPANY	
	2017 US$	2016 US$	2017 US$	2016 US$
Cash at banks and on hand	65,554,848	37,522,339	247,417	4,986,902
Short-term deposits	8,270,000	8,270,000	–	–
CASH AND BANK BALANCES	**73,824,848**	**45,792,339**	**247,417**	**4,986,902**

Short-term deposits earn interests at the respective short-term deposit rates. The weighted average effective interest rate as at 31 December 2017 for the Group was 0.4% (2016: 0.4%).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December

GROUP	2017 US$	2016 US$
Cash and bank balances	73,824,848	45,792,339
Less: restricted cash	(8,270,000)	(8,270,000)
CASH AND CASH EQUIVALENTS	**65,554,848**	**37,522,339**

Cash at banks and on hand denominated in foreign currencies at 31 December are as follows

GROUP	2017 US$	2016 US$
Thai Baht	1,528,065	292,794
Singapore Dollar	212,400	4,578,123
United States Dollar	172,424	179,724

16 | SHARE CAPITAL & RESERVE

GROUP AND COMPANY

SHARE CAPITAL	2017 No. of shares	2017 US$	2016 No. of shares	2016 US$
ISSUED AND FULLY PAID ORDINARY SHARES				
At 1 January	1,499,622,024	1,874,528	1,494,051,245	1,867,564
Vesting of equity-settled share transactions with employees on 19 July 2016	–	–	1,921,278	2,402
Vesting of equity-settled share transactions with employees on 30 December 2016	–	–	3,649,501	4,562
Warrants exercised on 17 February 2017	9,000	11	–	–
Warrants exercised on 7 March 2017	2,376	3	–	–
Vesting of equity-settled share transactions with employees on 19 July 2017	205,154	257	–	–
Vesting of equity-settled share transactions with employees on 29 December 2017	3,010,511	3,763	–	–
AT 31 DECEMBER	**1,502,849,065**	**1,878,562**	**1,499,622,024**	**1,874,528**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have a par value of US$0.00125 (2016: US$0.00125) each.

GROUP AND COMPANY

SHARE PREMIUM	2017 US$	2016 US$
At 1 January	729,529,098	727,245,039
Vesting of equity-settled share transactions with employees on 19 July 2016	–	1,412,187
Vesting of equity-settled share transactions with employees on 30 December 2016	–	871,872
Warrants exercised on 17 February 2017	978	–
Warrants exercised on 7 March 2017	260	–
Vesting of equity-settled share transactions with employees on 19 July 2017	62,888	–
Vesting of equity-settled share transactions with employees on 29 December 2017	708,927	–
AT 31 DECEMBER	**730,302,151**	**729,529,098**

FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency.

EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represents equity-settled share transactions granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share transactions, and is reduced by the expiry or exercise of the share transactions.

GENERAL RESERVE

General reserve represents the change in ownership of subsidiary arising from disposal of interest in subsidiary and fair value of the 1,255,183,632 detachable warrants issued pursuant to the Zero Coupon Notes (Note 18). As at 31 December 2017, the outstanding warrants were 1,255,172,256.

17 | TRADE & OTHER PAYABLES

	GROUP		COMPANY	
	2017 US$	**2016** US$	**2017** US$	**2016** US$
TRADE AND OTHER PAYABLES (CURRENT)				
Trade payables	11,694,663	22,516,359	13,787	1,163,266
Joint operation payables	1,664,675	937,108	–	–
Staff payroll and bonus payables	322,360	219,166	–	–
Other payables	30,518,032	27,314,556	5,909,758	3,373,831
	44,199,730	**50,987,189**	**5,923,545**	**4,537,097**
OTHER PAYABLES (NON-CURRENT)				
Amounts due to subsidiaries	–	–	25,711,246	26,569,733
TOTAL TRADE AND OTHER PAYABLES (CURRENT AND NON-CURRENT)	**44,199,730**	**50,987,189**	**31,634,791**	**31,106,830**
Accrued operating expenses	19,486,897	27,952,071	1,039,990	444,809
Loans and borrowings (Note 18)	424,612,597	416,962,762	276,342,597	228,692,762
Value added tax payables	(1,763,616)	(1,713,051)	–	–
TOTAL FINANCIAL LIABILITIES CARRIED AT AMORTISED COST	**486,535,608**	**494,188,971**	**309,017,378**	**260,244,401**

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Joint operation payables are cash calls due to the operator of joint operations. These amounts are unsecured, non-interest bearing, and are to be settled in cash.

OTHER PAYABLES (CURRENT) COMPRISE

	GROUP		COMPANY	
	2017 US$	**2016** US$	**2017** US$	**2016** US$
Payment on behalf by joint operation's partners	52,935	20,704,178	–	–
Proportionate share of joint operation's other payables	3,712,816	1,437,469	–	–
Accrued interest payable for Multi-currency medium term notes	5,879,642	3,347,767	5,879,642	3,347,767
Advances for crude from customers	18,990,117	–	–	–
Value added tax payables	1,763,616	1,713,051	–	–
Others	118,906	112,091	30,116	26,064
	30,518,032	**27,314,556**	**5,909,758**	**3,373,831**

Included in accrued operating expenses is the Group's proportionate share of joint operation's accrued expenses amounting to US$12.6 million (2016: US$21.7 million).

Advances for crude from customers are the Group's proportionate share of proceeds from customers for future crude sales.

Amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand. Amounts due to subsidiaries have been classified as non-current liabilities as the Company does not expect to repay within 12 months after the reporting date.

Trade and other payables denominated in foreign currencies at 31 December are as follows

GROUP	**2017** US$	**2016** US$
Thai Baht	1,930,795	1,856,797

18 | LOANS & BORROWINGS

		GROUP		COMPANY	
	MATURITY	2017 US$	2016 US$	2017 US$	2016 US$
CURRENT					
Multi-currency medium term notes	2017/2018	–	89,051,058	–	89,051,058
Revolving Credit Facility	2018	148,270,000	40,000,000	–	–
		148,270,000	**129,051,058**	**–**	**89,051,058**
NON-CURRENT					
Multi-currency medium term notes	2022/2023	179,155,878	139,641,704	179,155,878	139,641,704
Revolving Credit Facility	2018	–	148,270,000	–	–
Unsecured term loans	2022	34,417,937	–	34,417,937	–
Zero Coupon Notes	2024	62,768,782	–	62,768,782	–
		276,342,597	**287,911,704**	**276,342,597**	**139,641,704**
TOTAL		**424,612,597**	**416,962,762**	**276,342,597**	**228,692,762**

MULTI-CURRENCY MEDIUM TERM NOTES

On 26 May 2014, the Company established a S$500.0 million Multi-currency Medium Term Note Program ("MMTN Program") with The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank. Under the MMTN Program, the Company issued a S$130.0 million three-year fixed rate bond on 9 June 2014 (the "2017 Notes"), with a coupon of 6.25%. On 22 August 2014, the Company issued another S$200.0 million four-year fixed rate notes with a coupon of 5.75% (the "2018 Notes").

On 11 January 2017, the Company exchanged the 2017 Notes and 2018 Notes for the senior unsecured notes due 2022 (the "2022 Notes") and 2023 (the "2023 Notes") respectively. The gain of US$73.9 million on de-recognition of 2017 Notes and 2018 Notes due to exchange of the Multi-currency medium term notes was recognised in other operating expenses (Note 6).

The 2022 Notes and 2023 Notes have a fixed rate coupon of 4.0% payable annually, 2.0% payable annually in cash and 2.0% payable annually in cash or accrued at the discretion of the Company. The fixed rate coupon of 4.0% will be payable in the form of cash from the fifth coupon payment. In addition to the cash coupon, an additional cash coupon per interest period will be paid subject to the Brent crude oil benchmark, giving rise to embedded derivatives (Note 22). As at 31 December 2017, the fair value of the Multi-currency medium term notes was US$130.5 million.

REVOLVING CREDIT FACILITY

On 24 March 2014, KrisEnergy (Asia) Ltd. ("Borrower"), a wholly owned subsidiary of the Company, entered into a facility agreement with The Hongkong and Shanghai Banking Corporation for a US$100.0 million Revolving Credit Facility ("RCF") for a period of two years with an option to extend to three years.

On 30 June 2016, the RCF was transferred to a single lender, DBS Bank Ltd ("DBS"). On 11 July 2016, the Borrower and DBS agreed to increase the RCF's total commitments by US$40.0 million, from US$108.3 million to US$148.3 million.

On 3 November 2016, the Borrower and DBS agreed to extend the RCF maturity from 24 March 2017 to 30 June 2018 and provide the Bridge Upsize additional commitments of US$50.0 million for up to six months, and financial covenants were waived. As at 31 December 2016, the amount drawn from the Bridge Upsize was US$40.0 million. In February 2017, the amount drawn under the Bridge Upsize was fully repaid.

As at 31 December 2017, the amount drawn from the RCF was US$148.3 million (2016: US$148.3 million), with a maturity date of 30 June 2018. Accordingly, the RCF has been classified as a current liability as at 31 December 2017. On 29 March 2018, the Borrower and DBS signed an extension agreement where the RCF was extended by two-years to 30 June 2020, with no change to terms of the RCF.

The Guarantors of the RCF are the Company, KrisEnergy Holding Company Ltd., KrisEnergy Management Ltd., KrisEnergy International (Thailand) Holdings Ltd., KrisEnergy (Gulf of Thailand) Ltd., KrisEnergy Netherlands Holdings Pte Ltd., KrisEnergy Asia Coöperatief U.A., KrisEnergy Asia Holdings B.V., KrisEnergy (Block A Aceh) B.V., KrisEnergy (Satria) Ltd., KrisEnergy Bangladesh Ltd., KrisEnergy (Apsara) Ltd. and KrisEnergy (Cambodia) Holding Ltd.

Please refer to Note 12 for subsidiaries that provide the above collaterals.

UNSECURED TERM LOANS

On 11 January 2017, pursuant to the exchange of the Multi-currency medium term notes, the cross currency swaps (Note 22) were terminated. On 17 February 2017, the Company entered into unsecured term loan agreements amounting to US$34.4 million, with The Hongkong and Shanghai Banking Corporation and Standard Chartered Bank for settlement of the early termination.

The interest rate of the unsecured term loans was at LIBOR plus margin of 4.0% per annum, with principal repayment based on a percentage of the aggregate amount of the loan outstanding from August 2019 to February 2022.

ZERO COUPON NOTES

On 2 February 2017, the Company issued and received gross proceeds of S$139.5 million (US$96.4 million) in principal amount of senior secured Zero Coupon Notes due 2024 (the "Zero Coupon Notes") and 1,255,183,632 detachable warrants to its shareholders. Each warrant converts to one share in the ordinary share capital of the Company at the exercise price of S$0.110 per share.

As at 31 December 2017, the carrying value of the Zero Coupon Notes and warrants (Note 16) were US$62.8 million and US$40.3 million respectively. As at 31 December 2017, the fair value of the Zero Coupon Notes was US$60.0 million.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

GROUP	AT 1 JANUARY 2017	FINANCING CASH FLOWS (1)	NON-CASH CHANGES: EQUITY COMPONENT OF NOTE	DE-RECOGNITION OF CROSS CURRENCY SWAPS	SETTLEMENT FOR EARLY TERMINATION OF HEDGE	FAIR VALUE ADJUSTMENTS	ACCRETION OF DISCOUNT	FOREIGN EXCHANGE MOVEMENT	AT 31 DECEMBER 2017
	US$	US$	US$	US$	US$	US$	US$		
Revolving Credit Facility	188,270,000	(40,000,000)	–	–	–	–	–	–	148,270,000
Unsecured term loan	–	–	–	–	34,417,937	–	–	–	34,417,937
Multi-currency medium term notes	228,692,762	–	–	35,175,946	–	(78,731,387)	17,978,065	(23,959,508)	179,155,878
Zero Coupon Notes	–	94,404,115	(40,300,701)	–	–	–	4,472,104	4,193,264	62,768,782
Derivative liabilities	37,974,078	–	–	(37,974,078)	–	7,013,828	–	307,640	7,321,468
	454,936,840	**54,404,115**	**(40,300,701)**	**(2,798,132)**	**34,417,937**	**(71,717,559)**	**22,450,169**	**(19,458,604)**	**431,934,065**

(1) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

19 | PROVISIONS

GROUP	
DECOMMISSIONING PROVISIONS	US$
At 1 January 2016	48,472,869
Arising during the year	3,144,130
Write-back of unused provisions	(3,531,351)
Unwinding of discount	2,321,298
AT 31 DECEMBER 2016	**50,406,946**
Arising during the year	37,392
Write-back of unused provisions	(7,892,881)
Utilisation	(2,431,897)
Unwinding of discount	2,555,586
AT 31 DECEMBER 2017	**42,675,146**

The Group provides for the future cost of decommissioning oil production facilities and pipelines on a discounted basis on the installation of those facilities.

The average discount rate used in the calculation of the provisions as at 31 December 2017 is 10.0% (2016: 7.7%) per annum.

20 | EMPLOYEE BENEFIT LIABILITY

The Group has defined benefit pension plans for its employees in Indonesia and Thailand. The plans are governed by the local labour laws, and all local permanent employees are entitled to the plan. Salary is a basis of payment for severance and service benefits which consist of basis salary plus fixed allowances.

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit pension plans are as follows

GROUP	2017	2016
	US$	US$
Present value of defined benefit obligations	1,581,491	1,546,088
Re-measurement of defined benefit obligations	49,321	(135,318)
NET LIABILITY ARISING FROM DEFINED BENEFIT OBLIGATIONS	**1,630,812**	**1,410,770**

Changes in present value of the defined benefit obligations are as follows

GROUP	
	US$
At 1 January 2016	1,888,841
Interest cost	78,184
Current service cost	127,708
Past service cost	(361,168)
RE-MEASUREMENT (GAINS) LOSSES	
Re-measurement of other long term employee benefits	23
Actuarial gains and losses arising from changes in financial assumption	34,503
Actuarial gains and losses arising from experience adjustments	(169,821)
Benefits paid	(187,500)
AT 31 DECEMBER 2016	**1,410,770**
Interest cost	87,061
Current service cost	1,490,589
RE-MEASUREMENT (GAINS) LOSSES	
Re-measurement of other long term employee benefits	579
Actuarial gains and losses arising from changes in financial assumption	81,410
Actuarial gains and losses arising from experience adjustments	(32,089)
Benefits paid	(1,407,508)
AT 31 DECEMBER 2017	**1,630,812**

The cost of the defined benefit pension plans and the present value of the defined benefit obligations are determined using actuarial valuations.The actuarial valuation involves making various assumptions. The principal assumptions used in determining defined benefit obligations are shown below

	2017	**2016**
Retirement age	55 – 58 years	55 – 70 years
Discount rate	3.0% - 7.0% per annum	3.0% - 9.0% per annum
Long-term salary increase	5.0% per annum	3.0% - 5.0% per annum
Voluntary resignation	6.0% for employee before the age of 30 and linear decrease until 0.0% at the age of 56	6.0% for employee before the age of 30 and linear decrease until 0.0% at the age of 55

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligations as of the end of the reporting period, assuming if all other assumptions were held constant

		2017	**2016**
		US$	US$
Discount rate	+ 50 basis points	(48,959)	(26,480)
	- 50 basis points	55,262	30,002

21 | SHARE-BASED PAYMENTS

The expenses recognised for employee services received during the year are shown in the following table

GROUP	2017 US$	2016 US$
Expense arising from cash-settled share-based payment transactions	(57,999)	36,995
Expense arising from equity-settled share-based payment transactions	531,161	1,625,916
	473,162	**1,662,911**

VIRTUAL SHARES AWARD ("VSA")

This VSA is a performance based share incentive scheme to reward eligible employees for their continued contribution to KrisEnergy and to serve as a long-term incentive reward to motivate and retain eligible employees, with a view to align the interests of such employees with the interests of KrisEnergy and its shareholders.

The virtual share represents a cash award which is linked to KrisEnergy's share price.No shares are actually issued or transferred to the employee who has been awarded virtual shares. The cash amount depends on KrisEnergy's closing share price on the relevant vesting date and is calculated based on the number of virtual shares vested on the relevant vesting date multiplied by the vesting share price.

On 19 July 2016 and 30 December 2016, 356,483 and 823,015 virtual shares vested at vesting share price of S$0.144 and S$0.185 respectively.

On 19 July 2017 and 29 December 2017, 42,269 and 670,855 virtual shares vested at vesting share price of S$0.148 and S$0.101 respectively.

The carrying amount to the liability relating to the VSA as at 31 December 2017 was US$nil (2016: US$0.1 million).

PERFORMANCE SHARE PLAN ("PSP")

The PSP is a performance based share incentive scheme to reward selected employees and directors of the Company, who have contributed to the growth and performance of the Group and for their continued support and loyalty, with a direct interest in KrisEnergy.

The shares will be awarded to the selected employees if they remain employed by KrisEnergy with a clean employment record during the relevant vesting period.When the shares are fully vested, the shares will be issued and allotted to an account or sub-account with the Central Depository (Pte) Limited ("CDP") in Singapore within ten (10) business days of the vesting date.

On 19 July 2016 and 30 December 2016, 1,921,278 and 3,649,501 performance shares vested and ordinary shares were issued (Note 16).

On 19 July 2017 and 29 December 2017, 205,154 and 3,010,511 performance shares vested and ordinary shares were issued (Note 16).

As at 31 December 2017, the employee share option reserve for the PSP amounts to US$0.8 million (2016: US$1.0 million).

There has been no cancellation or modification to the employee share-based payments in 2017 and 2016.

The fair value of the VSA and PSP are estimated at reporting date and grant date respectively, using a Monte Carlo simulation model, taking into account the terms and conditions upon which the shares were granted. The model simulates a sophisticated random number generator of random variables based on their historical distributions. These variables are then input into a model predicting the price behaviors of the instruments, and the mean of this distribution is taken as the approximate fair value. The valuations are split into three tranches based on the vesting dates.

The following table lists the inputs to the Monte Carlo simulation models for the VSA and PSP respectively.The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the share-based payments is indicative of future trends, which may not necessarily be the actual outcome.

VSA	2017	2016
Risk free rate (%)	0.8% – 1.2%	0.6% – 1.2%
Expected volatility (%)	40.0% – 60.0%	32.0% – 76.0%
Annual employee exit rate (%)	1.0% – 17.0%	1.0% – 18.0%

PSP		
Risk free rate (%)	0.9% – 1.4%	0.9% – 1.4%
Expected volatility (%)	35.0% – 48.0%	35.0% – 48.0%
Annual employee exit rate (%)	1.0% – 3.0%	1.0% – 3.0%

22 | DERIVATIVES LIABILITIES

CROSS CURRENCY SWAPS

Concurrent with the issue of 2017 Notes and 2018 Notes under the MMTN Program (Note 18), the Group entered into the following cross currency swaps with total notional contract amount of US$263.8 million:

a) Cross currency swaps of a similar duration to convert the 3-Year S$ fixed rate liability of S$130.0 million to US$ floating rate liability of US$103.3 million; and

b) Cross currency swaps of a similar duration to convert the 4-Year S$ fixed rate liability of S$200.0 million to US$ floating rate liability of US$160.5 million.

Under the cross currency swaps, the Group agreed with the swap counterparties to exchange S$ for US$ at the start date of the swaps and vice versa at the maturity date. In addition, the Group will exchange US$ interest amounts for S$ interest amounts with the swap counterparties, at specified intervals during the tenor of the cross currency swaps, calculated by reference to the respective contracted notional principal amounts. The cumulative fair value changes of the risk hedged was included in the carrying amount of the Multi-currency medium term notes (Note 18).

On 11 January 2017, the fair value hedge relationship was discontinued pursuant to the exchange of 2017 Notes and 2018 Notes for the 2022 Notes and 2023 Notes (Note 18). The net fair value gain on termination of the cross currency swaps of US$2.8 million has been recognised in other operating expenses (Note 6).

GROUP AND COMPANY	FAIR VALUES 2017		2016	
	ASSETS US$	**LIABILITIES** US$	**ASSETS** US$	**LIABILITIES** US$
CURRENT				
FAIR VALUE HEDGES				
Cross currency swaps	–	–	–	37,974,078
TOTAL	**–**	–	**–**	**37,974,078**

EMBEDDED DERIVATIVES

The 2022 Notes and 2023 Notes have embedded derivatives arising from the additional cash coupon per interest period which will be paid subject to the Brent crude oil benchmark. If the Brent crude oil benchmark is greater than US$70 per barrel, the addition cash coupon will be 1.0% per annum, for each increase in Brent crude oil benchmark by US$10 per barrel above US$70 per barrel, up to a maximum of 3.0% per annum.

As at 31 December 2017, the carrying value of the embedded derivatives was US$7.3 million. The net fair value loss on embedded derivatives of US$2.1 million was recognised in other operating expenses (Note 6).

23 | COMMITMENTS

(A) OPERATING LEASE COMMITMENTS

The Group has entered into non-cancellable commercial property leases for its office premises.These operating leases have remaining lease terms of one year or more. Future minimum lease payments payable under non-cancellable operating leases as at 31 December are as follows

GROUP	**2017** US$	**2016** US$
Within one year	610,774	575,776
After one year but not more than five years	50,898	623,758
	661,672	**1,199,534**

(B) CAPITAL COMMITMENTS

Certain of our joint operations have firm capital commitments where we are required to participate in minimum exploration activities. The Group's share of the estimated firm minimum exploration commitments is approximately US$56.1 million (2016: US$50.6 million). As at 31 December 2017, there are optional capital commitments of US$38.5 million (2016: US$32.6 million).

At the reporting date, the Group's outstanding minimum exploration commitments will fall due as follows

GROUP	**2017** US$	**2016** US$
Within one year	18,266,000	11,100,000
Within two to five years	37,880,000	39,526,000
	56,146,000	**50,626,000**

24 | RELATED PARTY DISCLOSURES

COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The remuneration of directors and other members of key management during the year was as follows

GROUP	2017 US$	2016 US$
Salaries and bonus	6,865,195	6,770,625
Central Provident Fund contributions	58,007	51,771
Share-based payments	538,779	1,030,296
	7,461,981	**7,852,692**
COMPRISING AMOUNTS PAID TO		
Directors of the Company	3,999,188	3,832,114
Other key management personnel	3,462,793	4,020,578
	7,461,981	**7,852,692**

25 | FAIR VALUE OF FINANCIAL INSTRUMENTS

(A) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements, other than loans and borrowings whose fair values are disclosed separately in Note 18, approximate their fair values due to the relatively short-term maturity of these financial instruments.

The following table shows an analysis of assets and liabilities measured at fair value at the end of the reporting period

GROUP AND COMPANY	LEVEL 1 US$	LEVEL 2 US$	LEVEL 3 US$	TOTAL US$
2017				
FINANCIAL LIABILITIES				
Derivative liabilties (Note 22)				
– Embedded derivatives	–	7,321,468	–	7,321,468
2016				
FINANCIAL LIABILITIES				
Derivative liabilties (Note 22)				
– Cross currency swaps	–	37,974,078	–	37,974,078
Loans and borrowings (Note 18)				
– Fair value of hedged risk of Multi-currency medium term notes	–	(35,175,946)	–	(35,175,946)
	–	**2,798,132**	**–**	**2,798,132**

(B) LEVEL 2 FAIR VALUE MEASUREMENTS

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

CROSS CURRENCY SWAPS AND HEDGED RISK

Swap contracts and hedged risks were valued using a valuation technique with market observable inputs which includes forward pricing and swap models, using present value calculations. The models incorporated various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

EMBEDDED DERIVATIVES

Embedded derivatives are valued using the discounted cash flow method, under which, future contractual cash flows (i.e., Brent-linked additonal cash interest) are discounted to the valuation date. As the Brent-linked additional cash interest depends on future Brent prices, Monte-Carlo simulation method was adopted to project prospective Brent prices, which can be applied to compute the appropriate level of additional interest.

26 | FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk, commodity price risk and foreign currency risk. It is, and has been throughout the current financial year, the Group's policy that no derivatives shall be undertaken, except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(A) CREDIT RISK

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

EXPOSURE TO CREDIT RISK

At the end of the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the consolidated statement of financial position.

CREDIT RISK CONCENTRATION PROFILE

At the reporting date, approximately 87.0% (2016: 69.0%) of the Group's receivables arises from the Group's working interest in G10/48 Concession, G11/48 Concession, B9A and B8/32 Concessions, and Block 9 PSC.

FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

FINANCIAL ASSETS THAT ARE EITHER PAST DUE OR IMPAIRED

Information regarding financial assets that are either past due or impaired is disclosed in Note14 (Trade and other receivables).

(B) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their floating rate loans and borrowings, which are contractually re-priced at drawdown date.

SENSITIVITY ANALYSIS FOR INTEREST RATE RISK

As at 31 December 2017, if LIBOR interest rates had been 50 basis points lower/higher with all other variables held constant, the Group's loss before tax would have been US$0.9 million lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings (Note 18).

(C) LIQUIDITY RISK

The Group and the Company maintain sufficient cash and cash equivalents to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available, and on 29 March 2018, the Group has extended the RCF till 30 June 2020 (Note 18).

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The following tables detail the remaining contractual maturity for financial assets and financial liabilities. The tables have been drawn up on the undiscounted cash flows of financial assets and financial liabilities based on the earliest date on which the Group can be required to pay and the interest that will be earned on those assets. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial assets and financial liabilities on the statement of financial position.

GROUP	WITHIN ONE YEAR	AFTER ONE BUT WITHIN FIVE YEARS	AFTER FIVE YEARS	ADJUSTMENTS	TOTAL
	US$	US$	US$	US$	US$
2017					
FINANCIAL ASSETS					
Trade and other receivables	38,559,255	–	–	–	38,559,255
Cash and bank balances	73,824,848	–	–	–	73,824,848
	112,384,103	**–**	**–**	**–**	**112,384,103**
FINANCIAL LIABILITIES					
Trade and other payables	(42,436,114)	–	–	–	(42,436,114)
Accrued operating expenses	(19,486,897)	–	–	–	(19,486,897)
Derivatives	–	(7,321,468)	–	–	(7,321,468)
Loans and borrowings	(159,509,008)	(169,403,237)	(256,194,677)	160,494,325	(424,612,597)
	(221,432,019)	**(176,724,705)**	**(256,194,677)**	**160,494,325**	**(493,857,076)**
TOTAL NET	**(109,047,916)**	**(176,724,705)**	**(256,194,677)**	**160,494,325**	**(381,472,973)**

GROUP	WITHIN ONE YEAR	AFTER ONE BUT WITHIN FIVE YEARS	AFTER FIVE YEARS	ADJUSTMENTS	TOTAL
	US$	US$	US$	US$	US$
2016					
FINANCIAL ASSETS					
Trade and other receivables	48,151,421	–	–	–	48,151,421
Cash and bank balances	45,792,339	–	–	–	45,792,339
	93,943,760	**–**	**–**	**–**	**93,943,760**
FINANCIAL LIABILITIES					
Trade and other payables	(49,274,138)	–	–	–	(49,274,138)
Accrued operating expenses	(27,952,071)	–	–	–	(27,952,071)
Derivative liabilities	(37,974,078)	–	–	–	(37,974,078)
Loans and borrowings	(140,629,714)	(293,078,440)	–	16,745,392	(416,962,762)
	(255,830,001)	**(293,078,440)**	**–**	**16,745,392**	**(532,163,049)**
TOTAL NET	**(161,886,241)**	**(293,078,440)**	**–**	**16,745,392**	**(438,219,289)**

(D) COMMODITY PRICE RISK

The Group is exposed to the price volatility of crude oil. It generates revenue from selling crude oil from its producing assets where the sales price is determined based on benchmark crude oil price. The Group's exposure to commodity price risk arises primarily from their crude oil inventory as at the end of the reporting date.

SENSITIVITY ANALYSIS FOR COMMODITY PRICE RISK

As at 31 December 2017, if the benchmark price of the crude oil had been 10.0% (2016: 10.0%) higher/lower with all other variables held constant, the Group's loss before tax would have been US$1.2 million (2016: US$0.5 million) lower/higher, arising as a result of higher/lower net realisable value of crude oil inventory.

(E) FOREIGN CURRENCY RISK

The Group's foreign currency exposure arises primarily from loans and borrowings denominated in Singapore Dollar ("SGD").

SENSITIVITY ANALYSIS FOR FOREIGN CURRENCY RISK

As at 31 December 2017, if SGD/USD had strengthened/weakened by 3.0% with all other variables held constant, the Group's loss before tax would have been US$7.0 million lower/ US$7.4 million higher, arising as a result of lower/higher carrying value of the loans and borrowings.

27 | CAPITAL MANAGEMENT

Capital includes debt, proceeds from customers for future crude sales and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2017 and 31 December 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio within 30.0% to 50.0%. Given the decline in oil prices and the impact on the Group's results of operations and financial condition, coupled with the scarcity of equity capital to strengthen the Group's financial position, gearing has increased to 73.5% for the year ended 31 December 2017 (2016: 61.8%). In the absence of a substantial future equity contribution, the Group expects the gearing to remain above the Group's policy range.

GROUP	2017	2016
	US$	US$
Loans and borrowings (Note 18)	424,612,597	416,962,762
Advances for crude from customers (Note 17)	18,990,117	–
Equity attributable to the owners of the Company	159,726,339	258,193,489
CAPITAL AND NET DEBT	**603,329,053**	**675,156,251**
GEARING RATIO	**73.5%**	**61.8%**

28 | SEGMENT REPORTING

For management purposes, the Group operates in one business segment that is exploration and production of oil and gas in Asia.
Revenue and non-current assets information based on the geographical location of assets respectively are as follows

GROUP	REVENUE		NON-CURRENT ASSETS	
	2017	**2016**	**2017**	**2016**
	US$	US$	US$	US$
Bangladesh	12,221,384	14,168,361	39,459,212	42,826,813
Cambodia	–	–	187,371,456	184,020,954
Indonesia	–	–	112,531,299	244,801,055
Thailand	128,478,829	128,662,961	202,263,098	227,846,368
Vietnam	–	–	36,429,829	34,528,348
	140,700,213	**142,831,322**	**578,054,894**	**734,023,538**

Non-current assets information presented above consists of exploration and evaluation assets, oil and gas properties, intangible assets and refurbishment assets as presented in the notes to the consolidated financial statement.

INFORMATION ABOUT MAJOR CUSTOMERS

The Group identifies a major customer as one who contributes to 10 per cent or more of the total revenue. As at 31 December 2017, revenue from two (2016: one) major customers contributed to 72.3% and 12.2% respectively (2016: 79.6%) of the Group's total revenue.

29 | SUBSEQUENT EVENTS

In January 2018, the Indonesian authorities awarded the Andaman II joint study area to operator Premier Oil (40.0%), KrisEnergy (30.0%) and Mubadala Petroleum (30.0%). The signing of the formal production sharing contract is expected in the first half of 2018. The Andaman II PSC is an exploration block over the North Sumatra Basis, offshore North Sumatra, covering an area of 7,345 square kilometres in water depths ranging from 200 metres to 1,950 metres.

30 | RECLASSIFICATION AND COMPARATIVE VALUES

The following reclassifications have been made to the statement of financial position to reflect a net intercompany balance from/to the same subsidiary.

COMPANY	AS PREVIOUSLY REPORTED	AS RECLASSIFIED
	US$	US$
Other receivables	887,546,422	644,718,979
Other payables	269,397,176	26,569,733

31 | AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 1 April 2018.

SHAREHOLDING AND WARRANTHOLDING STATISTICS

Total number of issued Shares	:	1,502,849,065
Class of Shares	:	Ordinary Shares of US$0.00125 par value
Voting rights	:	1 vote per ordinary Share

ANALYSIS OF SHAREHOLDINGS AS AT 15 MARCH 2018:

SIZE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 – 99	87	2.66	725	0.00
100 – 1,000	146	4.47	105,538	0.01
1,001 – 10,000	779	23.84	5,109,983	0.34
10,001 – 1,000,000	2,179	66.68	251,456,930	16.73
1,000,001 & above	77	2.35	1,246,175,889	82.92
TOTAL	**3,268**	**100.00**	**1,502,849,065**	**100.00**

TOP TWENTY SHAREHOLDERS AS AT 15 MARCH 2018:

NO.	NAME OF SHAREHOLDER	NUMBER OF SHARES	%
1.	BNP Paribas Nominees Singapore Pte Ltd	598,263,893	39.81
2.	Merrill Lynch (S) Pte Ltd	285,146,075	18.97
3.	DBS Nominees Pte Ltd	47,990,931	3.19
4.	Citibank Nominees Singapore Pte Ltd	44,752,017	2.98
5.	Morgan Stanley Asia (S) Securities Pte Ltd	24,271,794	1.62
6.	Raffles Nominees (Pte) Ltd	22,348,054	1.49
7.	OCBC Securities Private Ltd	17,001,940	1.13
8.	MayBank Kim Eng Securities Pte Ltd	13,784,709	0.92
9.	Phillip Securities Pte Ltd	10,268,338	0.68
10.	Lin Yuanfeng	10,000,000	0.67
11.	UOB Kay Hian Pte Ltd	9,828,240	0.65
12.	Waterworth Pte Ltd	8,000,000	0.53
13.	Zhuo Jingming	6,944,500	0.46
14.	Leck Hang Wei	6,700,000	0.45
15.	Tan Kay Toh or Yu Hea Ryeong	5,600,000	0.37
16.	Coffee Express 2000 Pte Ltd	4,800,000	0.32
17.	Lim Chee San	4,800,000	0.32
18.	DBS Vickers Securities (S) Pte Ltd	4,758,600	0.32
19.	CGS-CIMB Securities (S) Pte Ltd	4,660,134	0.31
20.	Fong Soon Yong	4,610,100	0.31
		1,134,529,325	**75.50**

SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2018:

	HOLDINGS REGISTERED IN NAME OF SUBSTANTIAL SHAREHOLDERS OR NOMINEES		HOLDINGS IN WHICH SUBSTANTIAL SHAREHOLDERS ARE DEEMED TO HAVE AN INTEREST IN		TOTAL SHAREHOLDING	
	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%
Keppel Oil & Gas Pte Ltd	598,263,893	39.81	–	–	598,263,893	39.81
Kepventure Pte Ltd	–	–	598,263,893[1]	39.81	598,263,893	39.81
Keppel Corporation Limited	–	–	598,263,893[1]	39.81	598,263,893	39.81
Temasek Holdings (Private) Limited	–	–	598,263,893[2]	39.81	598,263,893	39.81
KrisEnergy Holdings Ltd	285,003,469	18.96	–	–	285,003,469	18.96
First Reserve Fund XII, L.P.	–	–	285,003,469[3]	18.96	285,003,469	18.96
First Reserve GP XII, L.P.	–	–	285,003,469[3]	18.96	285,003,469	18.96
First Reserve GP XII Limited	–	–	285,003,469[3]	18.96	285,003,469	18.96
William Macaulay	–	–	285,003,469[3]	18.96	285,003,469	18.96

Notes:

1 Kepventure Pte Ltd ("KepVenture") and Keppel Corporation Limited ("Keppel Corp") are deemed under Section 4 of the SFA to have an interest in the Shares held by Keppel Oil and & Gas Pte Ltd. ("KOG") as:
(a) KOG is a wholly owned subsidiary of KepVenture; and
(b) KepVenture a wholly owned subsidiary of Keppel Corp

2 Temasek Holdings (Private) Limited ("Temasek") is deemed under Section 4 of the SFA to have an interest in the Shares held by KOG as:
(a) KOG is a wholly owned subsidiary of KepVenture;
(b) KepVenture a wholly owned subsidiary of Keppel Corp; and
(c) Temasek has more than 20% interest in Keppel Corp, an independently managed Temasek portfolio company

3 First Reserve Fund XII, L.P. ("FR XII"), First Reserve GP XII, L.P. ("FR GP XII"), First Reserve GP XII Limited ("FR GP XII Limited") and William Macaulay are deemed under Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA") to have an interest in the Shares held by KrisEnergy Holdings Ltd. ("KEHL") as:
(a) FR XII is the holding company of KEHL;
(b) FR XII is managed by FR GP XII;
(c) FR GP XII is managed by FR GP XII Limited; and
(d) William Macaulay has the ability to appoint directors of FR GP XII Limited

PUBLIC SHAREHOLDERS

Based on the information available to our Company as at 15 March 2018, approximately 40.93% of the issued shares of our Company is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the ordinary shares of our Company is at all times held by the public.

TREASURY SHARES

As at 15 March 2018, the Company does not hold any treasury shares or subsidiary holdings.

ANALYSIS OF WARRANTHOLDINGS AS AT 15 MARCH 2018:

SIZE OF WARRANTHOLDINGS	NUMBER OF WARRANTHOLDERS	%	NUMBER OF WARRANTS	%
1 – 99	21	3.60	1,103	0.00
100 – 1,000	8	1.37	5,560	0.00
1,001 – 10,000	75	12.86	561,331	0.05
10,001 – 1,000,000	429	73.59	73,938,986	5.89
1,000,001 & above	50	8.58	1,180,665,276	94.06
TOTAL	**583**	**100.00**	**1,255,172,256**	**100.00**

TOP TWENTY WARRANTHOLDERS AS AT 15 MARCH 2018:

NO.	NAME OF WARRANTHOLDER	NUMBER OF WARRANTS	%
1.	BNP Paribas Nominees Singapore Pte Ltd	964,853,865	76.87
2.	Waterworth Pte Ltd	25,000,000	1.99
3.	Citibank Nominees Singapore Pte Ltd	18,697,579	1.49
4.	DBS Nominees Pte Ltd	14,929,197	1.19
5.	Teo Chiang Song	12,000,000	0.96
6.	Lee Yuen Shih	9,000,000	0.72
7.	DBS Vickers Securities (S) Pte Ltd	8,527,072	0.68
8.	OCBC Securities Private Ltd	8,193,713	0.65
9.	CGS-CIMB Securities (S) Pte Ltd	7,379,402	0.59
10.	Maybank Kim Eng Securities Pte Ltd	7,039,614	0.56
11.	Teo Chiang Wee	7,000,000	0.56
12.	Neo Kim Kuek	5,700,000	0.45
13.	Tan Siew Lin	5,570,000	0.44
14.	Ng Pock Hoe	5,000,000	0.40
15.	UOB Kay Hian Pte Ltd	4,967,966	0.40
16.	Yip Wai Mun	4,880,000	0.39
17.	Phillip Securities Pte Ltd	4,654,951	0.37
18.	Kuan Kok Siang	4,490,000	0.36
19.	Ng Chee Fatt	4,270,000	0.34
20.	Zhuo Jingming	4,200,000	0.33
		1,126,353,359	**89.74**

SUMMARY OF QUALIFIED PERSON'S REPORT (NSAI)

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
ENGINEERING • GEOLOGY • GEOPHYSICS • PETROPHYSICS

EXECUTIVE COMMITTEE
ROBERT C. BARG · P. SCOTT FROST · JOHN G. HATTNER · J. CARTER HENSON, JR.
MIKE K. NORTON · DAN PAUL SMITH · JOSEPH J. SPELLMAN · DANIEL T. WALKER

CHAIRMAN & CEO
C.H. (SCOTT) REES III
PRESIDENT & COO
DANNY D. SIMMONS
EXECUTIVE VP
G. LANCE BINDER

February 21, 2018

Board of Directors
KrisEnergy (Asia) Ltd
83 Clemenceau Avenue
10-05, UE Square, Shell House
Singapore 239920

Gentlemen:

In accordance with your request, we have estimated the proved, probable, and possible reserves and future revenue, as of December 31, 2017, to the KrisEnergy (Asia) Ltd (referred to herein as "KrisEnergy") interest in certain oil and gas properties located in Blocks B8/32 and B9A, Rossukon Field, Wassana Field, and Nong Yao Field, offshore Thailand; Lengo Field, offshore Indonesia; Block A Aceh, onshore Indonesia; Bangora Field, onshore Bangladesh; and Block A, offshore Cambodia. Also as requested, we have estimated the development unclarified contingent resources, as of December 31, 2017, to the KrisEnergy working interest in certain other discoveries located offshore Thailand, offshore and onshore Indonesia, and onshore Bangladesh. This is a revision of our report dated January 15, 2018. The estimates in this report have been revised to exclude the development unclarified contingent resources of the relinquished Mantana Field, Gulf of Thailand. We completed this evaluation on or about January 15, 2018. This report has been prepared using price and cost parameters specified by KrisEnergy, as discussed in subsequent paragraphs of this letter. These parameters provide for the real growth of oil and gas prices. Monetary values shown in this report are expressed in United States dollars ($) or thousands of United States dollars (M$).

The estimates in this report have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). As presented in the 2007 PRMS, petroleum accumulations can be classified, in decreasing order of likelihood of commerciality, as reserves, contingent resources, or prospective resources. Different classifications of petroleum accumulations have varying degrees of technical and commercial risk that are difficult to quantify; thus reserves, contingent resources, and prospective resources should not be aggregated without extensive consideration of these factors. Definitions are presented immediately following this letter. The tables following the definitions set forth our estimates of reserves and contingent resources, by category, to the KrisEnergy interest for each asset area.

RESERVES

Reserves are those quantities of petroleum anticipated to be commercially recoverable from known accumulations by application of development projects from a given date forward under defined conditions. Reserves must be discovered, recoverable, commercial, and remaining as of the evaluation date based on the planned development projects to be applied. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be commercially recoverable; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves.

We estimate the gross (100 percent) reserves and working interest reserves and future net revenue to the KrisEnergy interest in these properties, as of December 31, 2017, to be:

	Gross (100%) Reserves		Working Interest Reserves		Future Net Revenue[1] (M$)	
Category	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)	Total	Present Worth at 10%
Proved Developed Producing	12,513.0	204,917.6	2,440.1	53,373.2	(182,691.8)[2]	(150,755.2)[2]
Proved Developed Non-Producing	1,184.2	0.0	266.4	0.0	13,060.8	11,195.8
Proved Undeveloped	11,657.3	288,513.4	7,116.4	48,592.3	381,754.7	286,515.6
Proved (1P)	25,354.5	493,431.0	9,823.0	101,965.6	212,123.7	146,956.1

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Category	Gross (100%) Reserves		Working Interest Reserves		Future Net Revenue[1] (M$)	
	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)	Total	Present Worth at 10%
Probable	94,695.7	977,273.7	19,983.3	220,324.1	680,778.2	381,466.0
Proved + Probable (2P)	120,050.2	1,470,704.7	29,806.3	322,289.7	892,901.9	528,422.1
Possible	31,950.4	263,623.0	11,025.6	58,318.3	370,429.6	232,296.7
Proved + Probable + Possible (3P)	152,000.6	1,734,327.7	40,831.9	380,608.0	1,263,331.5	760,718.8

Totals may not add because of rounding.

[1] Future net revenue is after deductions for royalties and KrisEnergy's share of capital costs, abandonment costs, operating expenses, carried costs and reimbursements associated with local participation, head office overhead, production bonus payments, special remuneratory benefit, value-added taxes, Aceh community development fund payments, ExxonMobil Indonesia overriding royalty interest, and income taxes.

[2] Future net revenue is negative after deducting estimated abandonment costs and all proved operating costs.

The oil volumes shown include crude oil and condensate. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

Gross revenue for the reserves is KrisEnergy's share of the gross (100 percent) revenue from the properties after deductions for royalties. Future net revenue is after additional deductions for KrisEnergy's share of capital costs, abandonment costs, operating expenses, carried costs and reimbursements associated with local participation, head office overhead, production bonus payments, special remuneratory benefit, value-added taxes, Aceh community development fund payments, ExxonMobil Indonesia overriding royalty interest, and income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

We have made no investigation of potential volume and value imbalances resulting from overdelivery or underdelivery to the KrisEnergy interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on KrisEnergy receiving its net revenue interest share of estimated future gross production. Additionally, we have made no investigation of any firm transportation contracts that may be in place for these properties; no adjustments have been made to our estimates of future revenue to account for such contracts.

CONTINGENT RESOURCES

Contingent resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from known accumulations, but for which the applied project or projects are not yet considered mature enough for commercial development because of one or more contingencies. The discoveries assessed in this report have been subclassified as development unclarified. The 2007 PRMS defines a development unclarified discovery as a discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay. The contingent resources shown in this report are contingent upon one or more of the following: (1) collection of additional technical data, to be gathered through delineation wells and flow tests, to establish commercial viability, (2) finalization of a plan to develop the resources, (3) commitment of the license partners to develop the resources, (4) submission and approval of a Plan of Development, Production Area Application, or Production Permit Application, (5) completion of a gas sales

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agreement, and (6) extension of the production sharing contract. If these contingencies are successfully addressed, some portion of the contingent resources estimated in this report may be reclassified as reserves; our estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. This report does not include economic analysis for these properties. Based on analogous field developments, it appears that the best estimate contingent resources in this report have a reasonable chance of being economically viable.

We estimate the gross (100 percent) contingent resources and working interest contingent resources to the KrisEnergy interest in these discoveries, as of December 31, 2017, to be:

Subclassification/ Category	Gross (100%) Contingent Resources Oil (MBBL)	Gross (100%) Contingent Resources Gas (MMCF)	Working Interest Contingent Resources Oil (MBBL)	Working Interest Contingent Resources Gas (MMCF)
Development Unclarified				
Low Estimate (1C)	6,589.7	912,081.2	4,165.7	169,234.5
Best Estimate (2C)	10,067.9	1,480,875.2	6,806.0	482,844.3
High Estimate (3C)	37,528.1	2,338,142.4	16,247.7	821,728.5

Note: Contingent resources are the arithmetic sum of multiple asset-level probability distributions.

The oil volumes shown include crude oil and condensate.

The contingent resources shown in this report have been estimated using probabilistic methods. Once all contingencies have been successfully addressed, the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate. For the purposes of this report, the volumes and parameters associated with the low, best, and high estimate scenarios of contingent resources are referred to as 1C, 2C, and 3C, respectively. The estimates of contingent resources included herein have not been adjusted for development risk. As recommended in the PRMS, the 1C, 2C, and 3C contingent resources have been aggregated beyond the field level by arithmetic summation; therefore, these totals do not include the portfolio effect that might result from statistical aggregation.

ECONOMIC PARAMETERS

As requested, this report has been prepared using oil and gas price parameters specified by KrisEnergy. Oil prices for the reserves are based on the average forecast for Brent Crude prices from an aggregation of several independent public forecasts and are adjusted by field area for quality, transportation fees, and market differentials. The oil prices, before adjustments, are shown in the following table:

Period Ending	Oil Price ($/Barrel)
12-31-2018	61.00
12-31-2019	63.00
12-31-2020	65.00
Thereafter	76.00

Gas prices for Block B8/32 and Block B9A reserves for January through March 2018 are based on the Tantawan Gas Sales Agreement price of $3.870 per MMBTU and are adjusted by field area for energy content. Gas prices starting in April 2018 are based on the Tantawan Gas Sales Agreement pricing formula and the oil prices shown in the table above and are adjusted by field area for energy content. The gas prices, before adjustments, are shown in the following table:

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Period Ending	Gas Price ($/MMBTU)
3-31-2018	3.870
12-31-2018	4.235
12-31-2019	4.308
12-31-2020	4.380
Thereafter	4.781

The gas price for Bangora Field reserves is the contract price of $2.319 per MCF. The gas prices for Block A Aceh reserves are based on a contract price of $9.450 per MMBTU and an expected price for the surplus gas volumes of $6.500 per MMBTU; these prices are adjusted for energy content. Gas prices for Bangora Field and Block A Aceh are held constant throughout the lives of the properties.

The gas price for Lengo Field reserves is based on recent gas contracts in similar areas and is $6.500 per MMBTU; this price is adjusted for energy content and is escalated 3 percent per year from the year of first production throughout the lives of the properties.

Operating costs used in this report are based on operating expense records of and budgets prepared by the operators of the properties, as provided by KrisEnergy. These costs include the per-well overhead expenses allowed under concession agreements along with estimates of costs to be incurred at and below the field level. Headquarters general and administrative overhead expenses of KrisEnergy are included to the extent that they are covered under concession agreements for the operated properties. As requested, abandonment costs for the assets located offshore and onshore Indonesia are included as operating costs. Also as requested, operating costs are not escalated for inflation.

Capital costs used in this report were provided by KrisEnergy and are based on budgeted expenditures and actual costs from recent activity. Capital costs are included as required for workovers, new development wells, and production equipment. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are KrisEnergy's estimates of the costs to abandon the wells, platforms, and production facilities, net of any salvage value. As requested, capital costs and abandonment costs are not escalated for inflation.

GENERAL INFORMATION

This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated. For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. Based on the information used in our analysis, it is our opinion that a field visit was not required and would not materially affect our evaluation. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability.

The reserves and contingent resources shown in this report are estimates only and should not be construed as exact quantities. Estimates may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. Our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by KrisEnergy, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the volumes, and that our projections of future production will prove consistent with actual performance. If these volumes are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received, and costs incurred may vary from assumptions made while preparing this report.

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For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, well test data, production data, historical price and cost information, and property ownership interests. The reserves and contingent resources in this report have been estimated using a combination of deterministic and probabilistic methods; these estimates have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis, volumetric analysis, and analogy, that we considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2007 PRMS definitions and guidelines. The contingent resources and a portion of the reserves shown in this report are for undeveloped locations; such volumes are based on estimates of reservoir volumes and recovery efficiencies along with analogy to properties with similar geologic and reservoir characteristics. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from KrisEnergy, other interest owners, various operators of the properties, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. and were accepted as accurate. Supporting work data are on file in our office. We have not examined the contractual rights to the properties or independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By: [signature]
C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

By: [signature]
Philip S. (Scott) Frost, P.E. 88738
Senior Vice President

Date Signed: February 21, 2018

STATE OF TEXAS
P. S. FROST
88738
LICENSED
PROFESSIONAL ENGINEER

By: [signature]
Allen E. Evans, Jr., P.G. 1286
Vice President

Date Signed: February 21, 2018

STATE OF TEXAS
A. E. EVANS, JR.
GEOLOGY
1286
LICENSED
PROFESSIONAL GEOSCIENTIST

PSF:EAP

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PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

This document contains information excerpted from definitions and guidelines prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE).

Preamble

Petroleum resources are the estimated quantities of hydrocarbons naturally occuring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be-discovered accumulations; resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

These definitions and guidelines are designed to provide a common reference for the international petroleum industry, including national reporting and regulatory disclosure agencies, and to support petroleum project and portfolio management requirements. They are intended to improve clarity in global communications regarding petroleum resources. It is expected that this document will be supplemented with industry education programs and application guides addressing their implementation in a wide spectrum of technical and/or commercial settings.

It is understood that these definitions and guidelines allow flexibility for users and agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein should be clearly identified. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

1.0 Basic Principles and Definitions

The estimation of petroleum resource quantities involves the interpretation of volumes and values that have an inherent degree of uncertainty. These quantities are associated with development projects at various stages of design and implementation. Use of a consistent classification system enhances comparisons between projects, groups of projects, and total company portfolios according to forecast production profiles and recoveries. Such a system must consider both technical and commercial factors that impact the project's economic feasibility, its productive life, and its related cash flows.

1.1 Petroleum Resources Classification Framework

Petroleum is defined as a naturally occuring mixture consisting of hydrocarbons in the gaseous, liquid, or solid phase. Petroleum may also contain non-hydrocarbons, common examples of which are carbon dioxide, nitrogen, hydrogen sulfide and sulfur. In rare cases, non-hydrocarbon content could be greater than 50%.

The term "resources" as used herein is intended to encompass all quantities of petroleum naturally occurring on or within the Earth's crust, discovered and undiscovered (recoverable and unrecoverable), plus those quantities already produced. Further, it includes all types of petroleum whether currently considered "conventional" or "unconventional."

Figure 1-1 is a graphical representation of the SPE/WPC/AAPG/SPEE resources classification system. The system defines the major recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable petroleum.

The "Range of Uncertainty" reflects a range of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the "Chance of

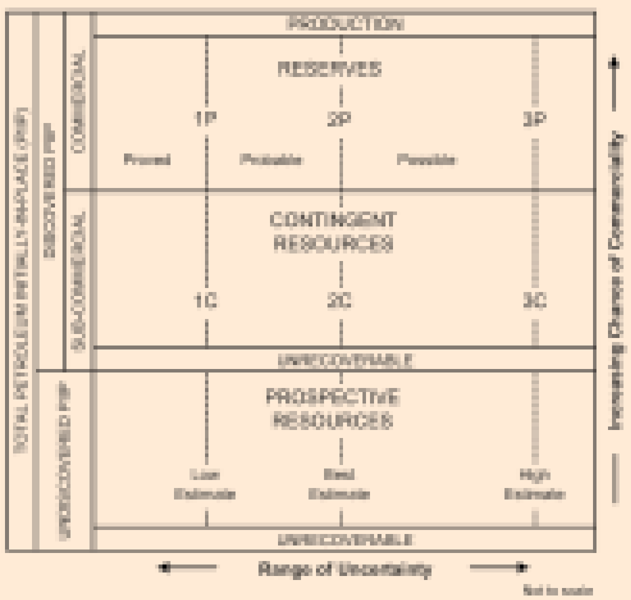

Figure 1-1: Resources Classification Framework.

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Commerciality", that is, the chance that the project that will be developed and reach commercial producing status. The following definitions apply to the major subdivisions within the resources classification:

TOTAL PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

DISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production.

PRODUCTION is the cumulative quantity of petroleum that has been recovered at a given date. While all recoverable resources are estimated and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage (see Production Measurement, section 3.2).

Multiple development projects may be applied to each known accumulation, and each project will recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into Commercial and Sub-Commercial, with the estimated recoverable quantities being classified as Reserves and Contingent Resources respectively, as defined below.

RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

CONTINGENT RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status.

UNDISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.

PROSPECTIVE RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

UNRECOVERABLE is that portion of Discovered or Undiscovered Petroleum Initially-in-Place quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

Estimated Ultimate Recovery (EUR) is not a resources category, but a term that may be applied to any accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable under defined technical and commercial conditions plus those quantities already produced (total of recoverable resources).

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1.2 Project-Based Resources Evaluations

The resources evaluation process consists of identifying a recovery project, or projects, associated with a petroleum accumulation(s), estimating the quantities of Petroleum Initially-in-Place, estimating that portion of those in-place quantities that can be recovered by each project, and classifying the project(s) based on its maturity status or chance of commerciality.

This concept of a project-based classification system is further clarified by examining the primary data sources contributing to an evaluation of net recoverable resources (see Figure 1-2) that may be described as follows:

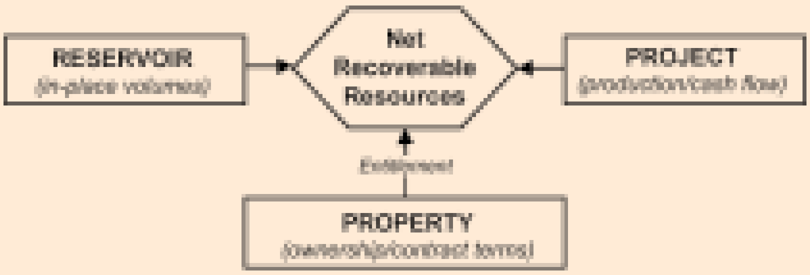

Figure 1-2: Resources Evaluation Data Sources.

- The Reservoir (accumulation): Key attributes include the types and quantities of Petroleum Initially-in-Place and the fluid and rock properties that affect petroleum recovery.

- The Project: Each project applied to a specific reservoir development generates a unique production and cash flow schedule. The time integration of these schedules taken to the project's technical, economic, or contractual limit defines the estimated recoverable resources and associated future net cash flow projections for each project. The ratio of EUR to Total Initially-in-Place quantities defines the ultimate recovery efficiency for the development project(s). A project may be defined at various levels and stages of maturity; it may include one or many wells and associated production and processing facilities. One project may develop many reservoirs, or many projects may be applied to one reservoir.

- The Property (lease or license area): Each property may have unique associated contractual rights and obligations including the fiscal terms. Such information allows definition of each participant's share of produced quantities (entitlement) and share of investments, expenses, and revenues for each recovery project and the reservoir to which it is applied. One property may encompass many reservoirs, or one reservoir may span several different properties. A property may contain both discovered and undiscovered accumulations.

In context of this data relationship, "project" is the primary element considered in this resources classification, and net recoverable resources are the incremental quantities derived from each project. Project represents the link between the petroleum accumulation and the decision-making process. A project may, for example, constitute the development of a single reservoir or field, or an incremental development for a producing field, or the integrated development of several fields and associated facilities with a common ownership. In general, an individual project will represent the level at which a decision is made whether or not to proceed (i.e., spend more money) and there should be an associated range of estimated recoverable quantities for that project.

An accumulation or potential accumulation of petroleum may be subject to several separate and distinct projects that are at different stages of exploration or development. Thus, an accumulation may have recoverable quantities in several resource classes simultaneously.

In order to assign recoverable resources of any class, a development plan needs to be defined consisting of one or more projects. Even for Prospective Resources, the estimates of recoverable quantities must be stated in terms of the sales products derived from a development program assuming successful discovery and commercial development. Given the major uncertainties involved at this early stage, the development program will not be of the detail expected in later stages of maturity. In most cases, recovery efficiency may be largely based on analogous projects. In-place quantities for which a feasible project cannot be defined using current, or reasonably forecast improvements in, technology are classified as Unrecoverable.

Not all technically feasible development plans will be commercial. The commercial viability of a development project is dependent on a forecast of the conditions that will exist during the time period encompassed by the project's activities (see

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the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

Commercial Evaluations, section 3.1). "Conditions" include technological, economic, legal, environmental, social, and governmental factors. While economic factors can be summarized as forecast costs and product prices, the underlying influences include, but are not limited to, market conditions, transportation and processing infrastructure, fiscal terms, and taxes.

The resource quantities being estimated are those volumes producible from a project as measured according to delivery specifications at the point of sale or custody transfer (see Reference Point, section 3.2.1). The cumulative production from the evaluation date forward to cessation of production is the remaining recoverable quantity. The sum of the associated annual net cash flows yields the estimated future net revenue. When the cash flows are discounted according to a defined discount rate and time period, the summation of the discounted cash flows is termed net present value (NPV) of the project (see Evaluation and Reporting Guidelines, section 3.0).

The supporting data, analytical processes, and assumptions used in an evaluation should be documented in sufficient detail to allow an independent evaluator or auditor to clearly understand the basis for estimation and categorization of recoverable quantities and their classification.

2.0 Classification and Categorization Guidelines

2.1 Resources Classification

The basic classification requires establishment of criteria for a petroleum discovery and thereafter the distinction between commercial and sub-commercial projects in known accumulations (and hence between Reserves and Contingent Resources).

2.1.1 Determination of Discovery Status

A discovery is one petroleum accumulation, or several petroleum accumulations collectively, for which one or several exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially moveable hydrocarbons.

In this context, "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place volume demonstrated by the well(s) and for evaluating the potential for economic recovery. Estimated recoverable quantities within such a discovered (known) accumulation(s) shall initially be classified as Contingent Resources pending definition of projects with sufficient chance of commercial development to reclassify all, or a portion, as Reserves. Where in-place hydrocarbons are identified but are not considered currently recoverable, such quantities may be classified as Discovered Unrecoverable, if considered appropriate for resource management purposes; a portion of these quantities may become recoverable resources in the future as commercial circumstances change or technological developments occur.

2.1.2 Determination of Commerciality

Discovered recoverable volumes (Contingent Resources) may be considered commercially producible, and thus Reserves, if the entity claiming commerciality has demonstrated firm intention to proceed with development and such intention is based upon all of the following criteria:

- Evidence to support a reasonable timetable for development.
- A reasonable assessment of the future economics of such development projects meeting defined investment and operating criteria.
- A reasonable expectation that there will be a market for all or at least the expected sales quantities of production required to justify development.
- Evidence that the necessary production and transportation facilities are available or can be made available.
- Evidence that legal, contractual, environmental and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated.

To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.

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PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

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To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

2.2 Resources Categorization

The horizontal axis in the Resources Classification (Figure 1.1) defines the range of uncertainty in estimates of the quantities of recoverable, or potentially recoverable, petroleum associated with a project. These estimates include both technical and commercial uncertainty components as follows:

- The total petroleum remaining within the accumulation (in-place resources).
- That portion of the in-place petroleum that can be recovered by applying a defined development project or projects.
- Variations in the commercial conditions that may impact the quantities recovered and sold (e.g., market availability, contractual changes).

Where commercial uncertainties are such that there is significant risk that the complete project (as initially defined) will not proceed, it is advised to create a separate project classified as Contingent Resources with an appropriate chance of commerciality.

2.2.1 Range of Uncertainty

The range of uncertainty of the recoverable and/or potentially recoverable volumes may be represented by either deterministic scenarios or by a probability distribution (see Deterministic and Probabilistic Methods, section 4.2).

When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that:

- There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

When using the deterministic scenario method, typically there should also be low, best, and high estimates, where such estimates are based on qualitative assessments of relative uncertainty using consistent interpretation guidelines. Under the deterministic incremental (risk-based) approach, quantities at each level of uncertainty are estimated discretely and separately (see Category Definitions and Guidelines, section 2.2.2).

These same approaches to describing uncertainty may be applied to Reserves, Contingent Resources, and Prospective Resources. While there may be significant risk that sub-commercial and undiscovered accumulations will not achieve commercial production, it is useful to consider the range of potentially recoverable quantities independently of such a risk or consideration of the resource class to which the quantities will be assigned.

2.2.2 Category Definitions and Guidelines

Evaluators may assess recoverable quantities and categorize results by uncertainty using the deterministic incremental (risk-based) approach, the deterministic scenario (cumulative) approach, or probabilistic methods (see "2001 Supplemental Guidelines," Chapter 2.5). In many cases, a combination of approaches is used.

Use of consistent terminology (Figure 1.1) promotes clarity in communication of evaluation results. For Reserves, the general cumulative terms low/best/high estimates are denoted as 1P/2P/3P, respectively. The associated incremental quantities are termed Proved, Probable and Possible. Reserves are a subset of, and must be viewed within context of, the complete resources classification system. While the categorization criteria are proposed specifically for Reserves, in most cases, they can be equally applied to Contingent and Prospective Resources conditional upon their satisfying the criteria for discovery and/or development.

Definitions - Page 5 of 10

NSAI NETHERLAND, SEWELL & ASSOCIATES, INC.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, March 2007

For Contingent Resources, the general cumulative terms low/best/high estimates are denoted as 1C/2C/3C respectively. For Prospective Resources, the general cumulative terms low/best/high estimates still apply. No specific terms are defined for incremental quantities within Contingent and Prospective Resources.

Without new technical information, there should be no change in the distribution of technically recoverable volumes and their categorization boundaries when conditions are satisfied sufficiently to reclassify a project from Contingent Resources to Reserves. All evaluations require application of a consistent set of forecast conditions, including assumed future costs and prices, for both classification of projects and categorization of estimated quantities recovered by each project (see Commercial Evaluations, section 3.1).

Based on additional data and updated interpretations that indicate increased certainty, portions of Possible and Probable Reserves may be re-categorized as Probable and Proved Reserves.

Uncertainty in resource estimates is best communicated by reporting a range of potential results. However, if it is required to report a single representative result, the "best estimate" is considered the most realistic assessment of recoverable quantities. It is generally considered to represent the sum of Proved and Probable estimates (2P) when using the deterministic scenario or the probabilistic assessment methods. It should be noted that under the deterministic incremental (risk-based) approach, discrete estimates are made for each category, and they should not be aggregated without due consideration of their associated risk (see "2001 Supplemental Guidelines," Chapter 2.5).

Table 1: Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their development and production status. To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented. To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.
On Production	The development project is currently producing and selling petroleum to market.	The key criterion is that the project is receiving income from sales, rather than the approved development project necessarily being complete. This is the point at which the project "chance of commerciality" can be said to be 100%. The project "decision gate" is the decision to initiate commercial production from the project.

Definitions - Page 6 of 10

NETHERLAND, SEWELL & ASSOCIATES, INC.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

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Class/Sub-Class	Definition	Guidelines
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is under way.	At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget. The project "decision gate" is the decision to start investing capital in the construction of production facilities and/or drilling development wells.
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	In order to move to this level of project maturity, and hence have reserves associated with it, the development project must be commercially viable at the time of reporting, based on the reporting entity's assumptions of future prices, costs, etc. ("forecast case") and the specific circumstances of the project. Evidence of a firm intention to proceed with development within a reasonable time frame will be sufficient to demonstrate commerciality. There should be a development plan in sufficient detail to support the assessment of commerciality and a reasonable expectation that any regulatory approvals or sales contracts required prior to project implementation will be forthcoming. Other than such approvals/contracts, there should be no known contingencies that could preclude the development from proceeding within a reasonable timeframe (see Reserves class). The project "decision gate" is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.	Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g. drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame. Note that disappointing appraisal/evaluation results could lead to a re-classification of the project to "On Hold" or "Not Viable" status. The project "decision gate" is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.
Development Unclarified or on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal/evaluation activities are required to clarify the potential for eventual commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a reasonable expectation that a critical contingency can be removed in the foreseeable future, for example, could lead to a reclassification of the project to "Not Viable" status. The project "decision gate" is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.

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Class/Sub-Class	Definition	Guidelines
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time due to limited production potential.	The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project "decision gate" is the decision not to undertake any further data acquisition or studies on the project for the foreseeable future.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the lead can be matured into a prospect. Such evaluation includes the assessment of the chance of discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific leads or prospects for more detailed analysis of their chance of discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

Table 2: Reserves Status Definitions and Guidelines

Status	Definition	Guidelines
Developed Reserves	Developed Reserves are expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.
Developed Producing Reserves	Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.	Improved recovery reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.	Shut-in Reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future re-completion prior to start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

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Status	Definition	Guidelines
Undeveloped Reserves	Undeveloped Reserves are quantities expected to be recovered through future investments:	(1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Table 3: Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.	If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the lowest known hydrocarbon (LKH) as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves (see "2001 Supplemental Guidelines," Chapter 8). Reserves in undeveloped locations may be classified as Proved provided that: • The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially productive. • Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.
Probable Reserves	Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.

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Category	Definition	Guidelines
Possible Reserves	Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.	The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.
Probable and Possible Reserves	(See above for separate criteria for Probable Reserves and Possible Reserves.)	The 2P and 3P estimates may be based on reasonable alternative technical and commercial interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects. In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area. Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing, faults until this reservoir is penetrated and evaluated as commercially productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources. In conventional accumulations, where drilling has defined a highest known oil (HKO) elevation and there exists the potential for an associated gas cap, Proved oil Reserves should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.

The 2007 Petroleum Resources Management System can be viewed in its entirety at http://www.spe.org/spe-app/spe/industry/reserves/prms.htm.

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SUMMARY OF RESERVES AND FUTURE NET REVENUE
KRISENERGY (ASIA) LTD INTEREST
AS OF DECEMBER 31, 2017

Country/Asset/Category	Gross (100%) Reserves		Working Interest Reserves[1]		Net Reserves[2]		Future Net Revenue[3] (M$)	
	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)	Total	Present Worth at 10%
Offshore Thailand								
Blocks B8/32 and B9A								
Proved Developed Producing	7,489.9	31,941.1	346.2	1,480.3	319.1	1,393.3	(19,496.8)[4]	(15,232.6)[4]
Proved (1P)	7,489.9	31,941.1	346.2	1,480.3	319.1	1,393.3	(19,496.8)[4]	(15,232.6)[4]
Probable	65,229.9	406,341.7	3,024.0	18,831.9	2,726.7	17,267.9	84,647.3	50,318.3
Proved + Probable (2P)	72,719.8	438,282.9	3,370.2	20,312.2	3,045.8	18,661.3	65,150.5	35,085.7
Possible	15,335.3	107,778.5	710.7	4,995.0	816.1	4,415.2	34,370.5	17,820.2
Proved + Probable + Possible (3P)	88,055.2	546,061.4	4,080.9	25,307.2	3,862.0	23,076.4	99,520.9	52,906.0
Block G6/48, Rossukon Field								
Probable	11,700.0	0.0	3,510.0	0.0	3,260.5	0.0	46,742.4	28,771.7
Proved + Probable (2P)	11,700.0	0.0	3,510.0	0.0	3,260.5	0.0	46,742.4	28,771.7
Possible	4,100.0	0.0	1,230.0	0.0	1,115.2	0.0	22,112.9	15,877.7
Proved + Probable + Possible (3P)	15,800.0	0.0	4,740.0	0.0	4,375.6	0.0	68,855.4	44,649.4
Block G10/48, Wassana Field								
Proved Developed Producing	1,385.9	0.0	1,233.5	0.0	1,171.0	0.0	(194,444.5)[4]	(162,944.5)[4]
Proved Undeveloped	7,141.2	0.0	6,355.6	0.0	5,907.9	0.0	238,525.1	196,969.6
Proved (1P)	8,527.1	0.0	7,589.1	0.0	7,078.9	0.0	44,080.7	34,025.2
Probable	5,069.6	0.0	4,512.0	0.0	4,073.2	0.0	174,345.6	148,163.2
Proved + Probable (2P)	13,596.7	0.0	12,101.1	0.0	11,152.1	0.0	218,426.3	182,188.4
Possible	2,559.1	0.0	2,277.5	0.0	2,030.0	0.0	52,559.8	47,479.8
Proved + Probable + Possible (3P)	16,155.8	0.0	14,378.6	0.0	13,182.1	0.0	270,986.1	229,668.1
Block G11/48, Nong Yao Field								
Proved Developed Producing	3,155.5	0.0	710.0	0.0	668.9	0.0	335.6	2,506.3
Proved Developed Non-Producing	1,184.2	0.0	266.4	0.0	248.4	0.0	13,080.0	11,195.8
Proved Undeveloped	906.5	0.0	204.0	0.0	187.2	0.0	5,530.6	4,679.4
Proved (1P)	5,246.3	0.0	1,180.4	0.0	1,104.5	0.0	18,946.2	18,381.4
Probable	2,330.7	0.0	524.4	0.0	483.9	0.0	22,968.7	20,355.0
Proved + Probable (2P)	7,577.0	0.0	1,704.8	0.0	1,588.4	0.0	41,914.9	38,736.4
Possible	1,987.3	0.0	447.2	0.0	413.2	0.0	13,486.4	12,222.5
Proved + Probable + Possible (3P)	9,564.3	0.0	2,152.0	0.0	2,001.6	0.0	55,401.4	50,958.9
Offshore Indonesia								
Bulu PSC, Lengo Field								
Probable	0.0	358,547.6	0.0	152,382.7	0.0	106,724.7	225,597.1	73,594.7
Proved + Probable (2P)	0.0	358,547.6	0.0	152,382.7	0.0	106,724.7	225,597.1	73,594.7
Possible	0.0	61,052.4	0.0	25,947.3	0.0	15,652.1	50,217.4	8,713.4
Proved + Probable + Possible (3P)	0.0	419,600.0	0.0	178,330.0	0.0	122,376.8	275,814.5	82,308.1

Note: Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

(1) KrisEnergy's current working interest is 4.6345 percent in Blocks B8/32 and B9A, 30.0000 percent in Block G6/48, 89.0000 percent in Block G10/48, 22.5000 percent in Block G11/48, 95.0000 percent in Block A, 42.5000 percent in the Bulu PSC, 15.0000 percent in Block A Aceh, and 30.0000 percent in Bangora Field.

(2) Net reserves are the portion of gross reserves representing KrisEnergy's revenue entitlement.

(3) Future net revenue is after deductions for royalties and KrisEnergy's share of capital costs, abandonment costs, operating expenses, carried costs and reimbursements associated with local participation, head office overhead, production bonus payments, special remuneratory benefit, value-added taxes, Aceh community development fund payments, ExxonMobil Indonesia overriding royalty interest, and income taxes.

(4) Future net revenue is negative after deducting estimated abandonment costs and all proved operating costs.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY OF RESERVES AND FUTURE NET REVENUE
KRISENERGY (ASIA) LTD INTEREST
AS OF DECEMBER 31, 2017

Country/Asset/Category	Gross (100%) Reserves Oil (MBBL)	Gross (100%) Reserves Gas (MMCF)	Working Interest Reserves[1] Oil (MBBL)	Working Interest Reserves[1] Gas (MMCF)	Net Reserves[2] Oil (MBBL)	Net Reserves[2] Gas (MMCF)	Future Net Revenue[3] (M$) Total	Future Net Revenue[3] (M$) Present Worth at 10%
Onshore Indonesia								
Block A Aceh								
Proved Undeveloped	3,506.8	253,077.9	526.0	37,961.7	298.0	31,810.4	129,193.7	81,648.9
Proved (1P)	3,506.8	253,077.9	526.0	37,961.7	298.0	31,810.4	129,193.7	81,648.9
Probable	1,599.0	97,372.2	239.8	14,605.8	47.4	10,532.7	19,594.8	8,877.7
Proved + Probable (2P)	5,105.8	350,450.1	765.9	52,567.5	345.4	42,343.1	148,788.5	90,526.6
Possible	1,337.2	7,077.4	200.6	1,061.6	74.7	179.3	5,180.9	2,189.4
Proved + Probable + Possible (3P)	6,443.0	357,527.5	966.5	53,629.1	420.1	42,522.4	153,969.4	92,716.0
Offshore Cambodia								
Block A, Platform A								
Probable	8,537.1	0.0	8,110.2	0.0	6,516.4	0.0	80,287.0	36,567.7
Proved + Probable (2P)	8,537.1	0.0	8,110.2	0.0	6,516.4	0.0	80,287.0	36,567.7
Possible	6,415.6	0.0	6,094.8	0.0	3,967.1	0.0	175,007.0	121,623.7
Proved + Probable + Possible (3P)	14,952.7	0.0	14,205.1	0.0	10,483.5	0.0	255,294.0	158,191.4
Onshore Bangladesh								
Block 9, Bangora Field								
Proved Developed Producing	501.6	172,976.4	150.5	51,892.9	51.8	25,519.4	30,894.7	24,015.6
Proved Undeveloped	102.8	35,435.6	30.8	10,630.7	17.4	6,638.6	8,525.3	4,117.7
Proved (1P)	604.4	208,412.0	181.3	62,523.6	69.2	32,158.1	39,420.0	28,133.3
Probable	209.4	115,012.2	62.8	34,503.6	15.4	14,090.7	26,575.2	13,817.7
Proved + Probable (2P)	813.8	323,424.2	244.1	97,027.2	84.7	46,248.8	65,995.1	41,951.0
Possible	215.8	87,714.7	64.8	26,314.4	21.6	12,178.3	17,484.7	6,368.9
Proved + Probable + Possible (3P)	1,029.6	411,138.9	308.9	123,341.7	106.3	58,427.1	83,489.9	48,320.9
Total								
Proved Developed Producing	12,513.0	204,917.6	2,440.1	53,373.2	2,210.8	26,912.8	(182,691.0)[4]	(158,755.2)[4]
Proved Developed Non-Producing	1,184.2	0.0	266.4	0.0	246.4	0.0	13,080.6	11,195.8
Proved Undeveloped	11,657.3	288,513.4	7,116.4	48,592.3	6,410.6	38,448.0	381,734.7	288,515.6
Proved (1P)	25,354.5	493,431.0	9,823.0	101,965.6	8,869.8	65,361.8	212,123.7	146,956.1
Probable	94,695.7	977,273.7	19,863.3	220,324.1	17,123.4	148,616.0	680,778.2	381,466.0
Proved + Probable (2P)	120,050.2	1,470,704.7	29,606.3	322,289.7	25,993.2	213,977.8	892,901.9	528,422.1
Possible	31,950.4	263,623.0	11,025.6	58,310.3	8,237.8	32,424.9	370,429.6	232,296.7
Proved + Probable + Possible (3P)	152,000.6	1,734,327.7	40,631.9	380,600.0	34,231.1	246,402.7	1,263,331.5	760,718.8

Note: Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

[1] KrisEnergy's current working interest is 4.6345 percent in Blocks B8/32 and B9A, 30.0000 percent in Block G6/48, 89.0000 percent in Block G10/48, 22.5000 percent in Block G11/48, 95.0000 percent in Block A, 42.5000 percent in the Bulu PSC, 15.0000 percent in Block A Aceh, and 30.0000 percent in Bangora Field.

[2] Net reserves are the portion of gross reserves representing KrisEnergy's revenue entitlement.

[3] Future net revenue is after deductions for royalties and KrisEnergy's share of capital costs, abandonment costs, operating expenses, carried costs and reimbursements associated with local participation, head office overhead, production bonus payments, special remuneratory benefit, value-added taxes, Aceh community development fund payments, ExxonMobil Indonesia overriding royalty interest, and income taxes.

[4] Future net revenue is negative after deducting estimated abandonment costs and all proved operating costs.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY OF DEVELOPMENT UNCLARIFIED
CONTINGENT RESOURCES
KRISENERGY (ASIA) LTD INTEREST
AS OF DECEMBER 31, 2017

	Gross (100%) Contingent Resources		Working Interest Contingent Resources[1]	
Country/Asset/Category	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)
Offshore Thailand				
Block G6/48, Rossukon Field				
Low Estimate (1C)	0.0	11,476.9	0.0	3,443.1
Best Estimate (2C)	0.0	13,238.4	0.0	3,971.5
High Estimate (3C)	0.0	15,369.3	0.0	4,610.8
Block G10/48, Wassana Field				
Low Estimate (1C)	2,700.8	0.0	2,403.7	0.0
Best Estimate (2C)	3,896.0	0.0	3,467.4	0.0
High Estimate (3C)	5,420.3	0.0	4,824.1	0.0
Block G10/48, Mayura Field				
Low Estimate (1C)	453.7	0.0	403.8	0.0
Best Estimate (2C)	1,140.3	0.0	1,014.9	0.0
High Estimate (3C)	3,124.7	0.0	2,781.0	0.0
Block G11/48, Angun Field				
Low Estimate (1C)	285.1	0.0	64.1	0.0
Best Estimate (2C)	663.8	0.0	149.4	0.0
High Estimate (3C)	21,066.8	0.0	4,740.0	0.0
Block G11/48, Nong Yao Field				
Low Estimate (1C)	1,227.1	0.0	276.1	0.0
Best Estimate (2C)	1,480.6	0.0	333.1	0.0
High Estimate (3C)	1,746.9	0.0	393.1	0.0
Offshore Indonesia				
Bala-Balakang PSC, Halimun and Papandayan Discoveries				
Low Estimate (1C)	0.0	0.0	0.0	0.0
Best Estimate (2C)	0.0	110,510.4	0.0	93,933.9
High Estimate (3C)	0.0	155,810.7	0.0	132,439.1
Sakti PSC, Mustika Field				
Low Estimate (1C)	0.0	37,236.1	0.0	35,374.3
Best Estimate (2C)	0.0	221,522.6	0.0	210,446.5
High Estimate (3C)	0.0	425,364.3	0.0	404,096.1

[1] KrisEnergy's current working interest is 30.0000 percent in Block G6/48, 89.0000 percent in Block G10/48, 22.5000 percent in Block G11/48, 85.0000 percent in the Bala-Balakang PSC, 95.0000 percent in the Sakti PSC, 15.0000 percent in Block A Aceh, 95.0000 percent in Block A, and 30.0000 percent in Block 9. It is anticipated that local participation will reduce the current working interest proportionately in the Bala-Balakang and Sakti PSCs based on the local participant obtaining a 10.0000 percent interest in the asset. Working interest contingent resources are estimated based on the current working interest.

[2] Totals are the arithmetic sum of multiple asset-level probability distributions.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY OF DEVELOPMENT UNCLARIFIED
CONTINGENT RESOURCES
KRISENERGY (ASIA) LTD INTEREST
AS OF DECEMBER 31, 2017

Country/Asset/Category	Gross (100%) Contingent Resources Oil (MBBL)	Gross (100%) Contingent Resources Gas (MMCF)	Working Interest Contingent Resources[1] Oil (MBBL)	Working Interest Contingent Resources[1] Gas (MMCF)
Onshore Indonesia				
Block A Aceh				
Low Estimate (1C)	992.3	857,288.6	148.8	128,593.3
Best Estimate (2C)	1,034.6	1,107,924.4	155.2	166,188.7
High Estimate (3C)	2,499.2	1,612,646.1	374.9	241,896.9
Offshore Cambodia				
Block A, Platform B				
Low Estimate (1C)	762.1	0.0	724.0	0.0
Best Estimate (2C)	1,423.8	0.0	1,352.6	0.0
High Estimate (3C)	2,476.6	0.0	2,352.8	0.0
Block A, Platform C				
Low Estimate (1C)	145.6	0.0	138.3	0.0
Best Estimate (2C)	314.9	0.0	299.2	0.0
High Estimate (3C)	652.0	0.0	619.4	0.0
Onshore Bangladesh				
Block 9, Lalmai Field				
Low Estimate (1C)	23.0	6,079.6	6.9	1,823.9
Best Estimate (2C)	113.9	27,679.3	34.2	8,303.8
High Estimate (3C)	541.5	128,952.1	162.4	38,685.6
Total[2]				
Low Estimate (1C)	6,589.7	912,081.2	4,165.7	169,234.5
Best Estimate (2C)	10,067.9	1,480,875.2	6,806.0	482,844.3
High Estimate (3C)	37,528.1	2,338,142.4	16,247.7	821,728.5

[1] KrisEnergy's current working interest is 30.0000 percent in Block G6/48, 89.0000 percent in Block G10/48, 22.5000 percent in Block G11/48, 85.0000 percent in the Bala-Balakang PSC, 95.0000 percent in the Sakti PSC, 15.0000 percent in Block A Aceh, 95.0000 percent in Block A, and 30.0000 percent in Block 9. It is anticipated that local participation will reduce the current working interest proportionately in the Bala-Balakang and Sakti PSCs based on the local participant obtaining a 10.0000 percent interest in the asset. Working interest contingent resources are estimated based on the current working interest.

[2] Totals are the arithmetic sum of multiple asset-level probability distributions.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

2017 SUSTAINABILITY REPORT

ABOUT THIS SUSTAINABILITY REPORT

This Sustainability Report is KrisEnergy's first annual sustainability report issued as a standalone section to our 2017 Annual Report. The document covers the full financial year ended 31 December 2017 ("FY2017"), and is dedicated to providing information on economic, environmental, social and governance practices that is material to KrisEnergy's business and key stakeholders. Further information on corporate governance, which is part of our sustainability, can be found under the section *Corporate Governance* on pages 42 to 53 of the 2017 Annual Report.

This report is set out on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7.6 of the Mainboard Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). KrisEnergy has chosen the Global Reporting Initiative ("GRI") framework as the most established international sustainability reporting standard and in respect of the extent to which such framework is applied, this report has been prepared in accordance with GRI Standards: Core Option.

We welcome feedback from all stakeholders.
Please send all feedback to hinna.ijaz@krisenergy.com.

CHAIRMAN STATEMENT ON SUSTAINABILITY

Dear Stakeholders,

Welcome to KrisEnergy's first Sustainability Report.

We remain committed to protecting KrisEnergy's reputation as a responsible operator and we strive to maintain the highest environmental, health, safety and security standards through the leadership of our management team.

Despite the liquidity pressures we have experienced over the last two years, and continue to be pressured by, we have maintained focus on our corporate responsibility, including our responsibilities to our people, our contractors and the local communities in which we have operations.

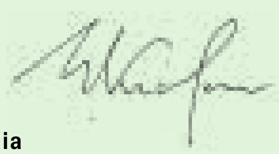
Corporate responsibility is paramount. Our offshore and onshore drilling and production activities demand effective environmental, safety and security management. Companies that run their operations responsibly are likely to also operate efficiently.

Operational continuity, maintenance of positive relations with all stakeholders and compliance with regulations are vital to support shareholder value. Our reputation as a responsible partner of choice will support shareholder value in the long term through our ability to access new relationships, opportunities and capital.

Sustainability is integral to KrisEnergy's business strategy and operations. Our roots are planted in strong values and clear policies to ensure our people and business-critical partners, such as suppliers and service providers, comply with our values so that we positively impact and contribute to the communities in which we operate.

We intend to continually monitor developments and implement governance best practices that support long-term sustainable performance. This also holds true for our own performance including the reduction of energy consumption within our offices and operations as well as the recycling of materials where appropriate.

Our core values and policies are set out in this report and form the basis for our reporting standards going forward in our efforts to remain accountable and transparent to all stakeholders.



Tan Ek Kia
Independent Non-executive Chairman on behalf of the Board | 1 April 2018

OUR APPROACH TO SUSTAINABILITY

REPORTING PRINCIPLES

KrisEnergy has an internal Code of Conduct stipulating the Group's business principles and practices in our day-to-day activities. Our Code of Conduct provides a communicable and understandable framework for employees to observe the Group's principles of accountability, honesty and integrity in all aspects of our business and in our dealings with suppliers, contractors and other stakeholders working for or on behalf of KrisEnergy. We recognise that the involvement of our employees is key to the future success of the business and all employees are informed of, and can readily access, the Code of Conduct on our global intranet and company website, www.krisenergy.com. Our senior managers in each country are also responsible for ensuring that the principles set out in the Code of Conduct are communicated to and understood by all employees, and for ensuring compliance in their area of responsibility.

Our core values are:
- Openness;
- Respect;
- Integrity; and
- Professionalism.

Our Code of Conduct provides guidance on and emphasises our commitment to:
- Diversity and equality for all employees and stakeholders;
- Responsibilities whilst working for, with or on behalf of KrisEnergy;
- Fair and transparent employment practices;
- Environmental goals and initiatives;
- High standards in workplace health and safety standards and procedures;
- Community involvement throughout our operations;
- Whistle-blowing avenues in event of breach; and
- Safeguarding and proper use of the Company's information and assets.

In line with the Company's stance to pursue our business objectives with integrity and in compliance with applicable laws and regulations in all countries in which we operate, we also have the following corporate policies and guidelines in place, which are similarly available on our global intranet and are disseminated to our employees:
- Health & Safety Policy;
- Environmental Policy;
- Fire Safety Policy;
- Communications Policy;
- Corporate Social Responsibility Policy;
- Public Grievance Policy;
- Travel Policy;
- Drug & Alcohol Policy;
- Risk Management Policy;
- Supplier Code of Conduct;
- Whistle-blowing Policy;
- Policy to Prevent Improper Payments; and
- Management Authority Approval Policy.

Throughout our day-to-day activities, we continue to remain aware of the needs of our employees, stakeholders, communities and the environment. Professionalism, high ethical standards, accountability to our stakeholders, respecting the law, being people-driven, encouraging community involvement and striving for excellence in everything we do are the key principles on which our day-to-day business practice is based.

OUR CORPORATE GOVERNANCE

The KrisEnergy Group is committed to maintaining a high standard of corporate governance, and to complying with the principles of the Code of Corporate Governance 2012.

The composition of our board is an important aspect of our approach to corporate governance. Our board comprises eight members, including five independent directors, who exercise objective judgement in our corporate affairs. In this regard, the board has reviewed and identified key material environmental, social and governance factors relating to KrisEnergy. Further, our Independent Non-executive Chairman and our Chief Executive Officer are responsible for overseeing all aspects of our business, including our commitments to sustainability, and are supported by a strategic team of general managers. For more information, please refer to the *Corporate Governance* section on pages 42 to 53 of the 2017 Annual Report.

ANTI-CORRUPTION

The KrisEnergy Group, with our operations across different geographies and our engagement with numerous contractors, consultants, suppliers, joint-venture participants and agents, has multiple vulnerable points which expose us to risks of corruption. Preventing and managing risks associated with corrupt practices across KrisEnergy's operations is a key concern to our stakeholders.

We manage this risk through maintaining our commitment to high standards of ethical behaviour and actively ensuring that the Group's zero-tolerance policy towards corruption, bribery and unethical actions is strictly observed. Our core approach is to enable all personnel to make informed business choices that avoid all forms of breach and thereby protect the value of our business.

Our policy to prevent improper payments is constantly reinforced in respect of giving or receiving gifts, and dealing with entertainment, sponsorships and charitable contributions. In conjunction with this, we have in place questionnaires to assist in due diligence in respect of our third-party contracts. Our policy requirements also mandate that the form of third-party contracts include standard written clauses, such as representations and warranties on non-corruption, and that we use commercially reasonable efforts to ensure that our policy principles are incorporated in joint venture/operating agreements. Further, we require all employees throughout KrisEnergy offices to complete and sign a compulsory certificate of compliance annually, to acknowledge that they are aware of, have read, and are in compliance with our policy to prevent improper payments. Similar certificates of compliance are also sought periodically from all third-party intermediaries. Our whistle-blowing policy also underpins our anti-corruption commitment in enabling employees to, in confidence, raise concerns internally and disclose any impropriety at a high level and through well-defined and accessible channels. We have in place arrangements for independent investigation and appropriate follow up actions where necessary.

Our policies are communicated to employees in all regions and uploaded onto our global intranet for ready access. Every KrisEnergy employee is thus informed of our policies and practices. To supplement this, we organise and conduct regular anti-bribery and corruption training sessions at our major offices and work locations to refresh and update employees, where there are opportunities for question and answer sessions and one-on-one discussions. Our training sessions were most recently conducted in our Bangladesh and Bangkok offices, and were attended by present employees including governance body members.

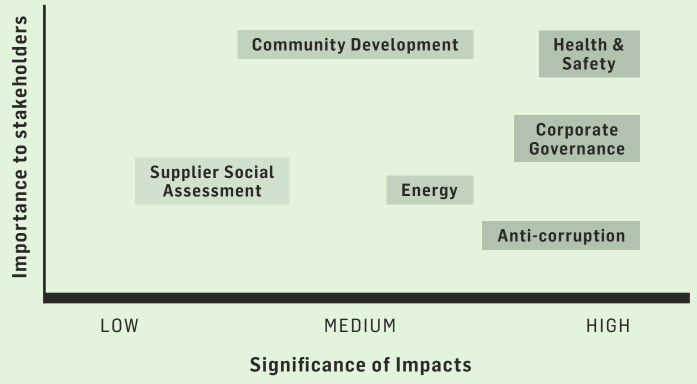
Senior managers in each country in which we operate also ensure that adequate controls are in place to prevent improper payments and manage the standards we have set out. Our external auditors have the authority and instruction to test expenditures in the course of normal audit activities to evaluate whether payments in the samples tested are potentially improper payments.

No incidents of bribery or corruption were identified in or prior to 2017. It is KrisEnergy's goal to maintain zero incidents of bribery and corruption.

REPORTING PROCESS

REPORT CONTENT AND TOPIC BOUNDARIES

To identify and prioritise sustainability topics for inclusion in this report, we applied the Principle of Materiality, by considering our activities, our economic, environmental and social impacts and the substantive expectations and interests of our stakeholders. The chart below reflects our material topics and rankings.



An executive meeting determined the key topics for this report and was attended by Senior Management and representatives from key departments. A conclusive meeting was subsequently held with the Board of Directors to finalise the key material topics to be disclosed.

The table below highlights the topic boundaries to our entities. *N.B.: Injury classification is reported in all KrisEnergy entities but the focus of this injury classification will be on KrisEnergy-supervised operations, namely the Wassana oil field in the Gulf of Thailand and the Block 9 gas field in Bangladesh, for the material topic injury classification, disclosure 403-2.*

POTENTIAL ISSUE CLUSTERING & RATING

	ANTI-CORRUPTION	ENERGY	WORKERS REPRESENTATION	INJURY CLASSIFICATION	LOCAL COMMUNITY ENGAGEMENT	SUPPLIER SOCIAL ASSESSMENT
SINGAPORE OFFICE	*	*	*	*	*	
INDONESIAN OFFICE	*	*	*	*	*	*
VIETNAM OFFICE	*	*		*	*	
CAMBODIA OFFICE	*	*		*	*	
THAILAND OFFICE	*	*		*	*	
BANGLADESH OFFICE	*	*	*	*	*	
WASSANA OPERATIONS	*	*	*	*	*	*
BLOCK 9 OPERATIONS	*	*	*	*	*	*

OUR PEOPLE

Our employees are our strongest asset and their wellbeing is our top priority. We engage with people in the countries in which we operate and endorse the values of non-discrimination and diversity with equal opportunity. Our objective is to ensure our working environment is transparent and healthy and promotes employee empowerment and fulfilment.

Our employees are not covered by collective bargaining agreements, but are given the right to exercise freedom of association.

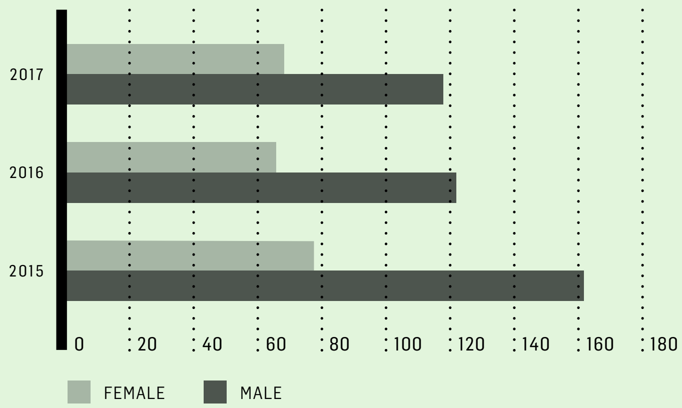
We periodically provide a range of operational training, such as safety and technical courses, among others. We regularly carry out various in-house training and emergency response drills to ensure all employees remain vigilant and uphold the best practices in the industry.

KrisEnergy employed a total of 431 people in 2017. Permanent employees represented 44% of the total headcount. As our business is in upstream oil and gas, the majority of workers on operational sites are usually contracted third-party personnel. The data below collected from each country's administrative records, specifies the total breakdown of our employees in the areas described below during the last three years. The company's approach is to offer remuneration based on merit and experience without gender discrimination. We also have equal or more representation of female employees within most of our offices, the exception being in Dhaka and the field operations site in Bangladesh where the majority of the country's workforce are made up of male workers.

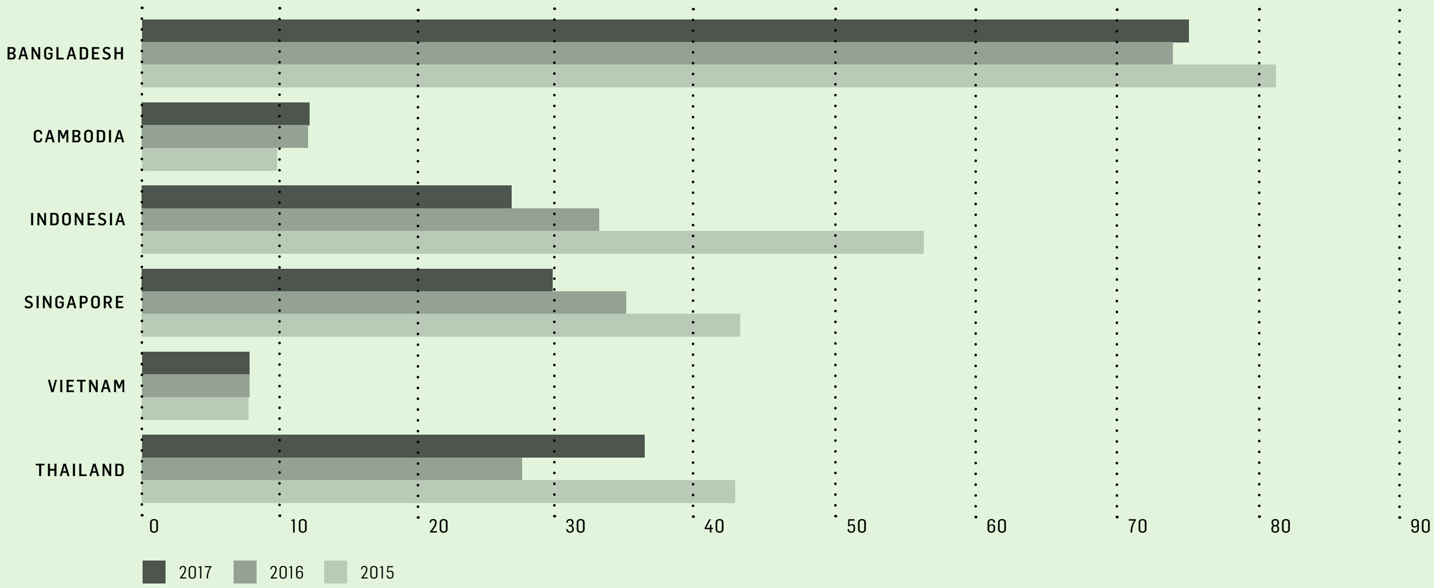
EXTERNAL INITIATIVES

KrisEnergy is committed to active participation in all initiatives which are beneficial to both our local communities and our operational activities within those communities. We continually benchmark and evaluate what we do in order to improve our corporate social responsibility performance. Our people participate in and/or lead numerous community initiatives, such as the "Hole in the Wall" event in collaboration with the Jaago Foundation to provide easy access to education in Dhaka, Bangladesh. Going forward, KrisEnergy will continue to embark on suitable initiatives to enhance the sustainable development of our business.

TOTAL NUMBER OF EMPLOYEES BY GENDER



TOTAL NUMBER OF EMPLOYEES BY REGION



OCCUPATIONAL HEALTH AND SAFETY

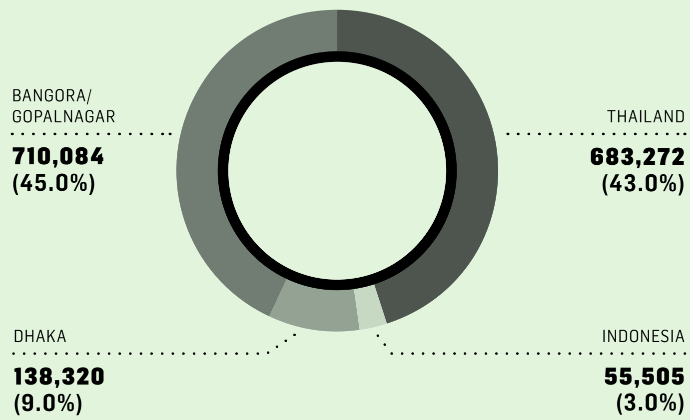
Health and safety is of utmost importance to KrisEnergy and we have robust internal systems to ensure our performance is monitored for improvement. We take training seriously to ensure competency and that no one is harmed while performing their work. Our Singapore, Dhaka and Jakarta offices and onshore Bangladesh field operations have renewed OHSAS 18001 certifications, an international occupational health and safety management system standard overseen by SGS International Certifications Services ("SGS") and accredited by the Swiss Accreditation Service ("SAS").

We cultivate a health and safety culture that runs throughout our organisation, one that emphasises individual responsibility at all levels. We have Safety Committee groups in our OHSAS 18001 certified offices and operations. These committees are represented by both management and employees and they are tasked to review policies, procedures and practices relating to occupational health and safety. They are also drivers of quarterly or monthly Environmental, Health, Safety and Security ("EHSS") initiatives within the company to address employees concerns or increase awareness over EHSS matters.

We plan to embark on OHSAS 18001 certification of the Thailand G10 Wassana site and achieve first round of Surveillance visit by the fourth quarter 2018 with an established Safety Committee group in place.

Between January and December 2017, the KrisEnergy Group recorded 1,587,181 man-hours at operated assets with zero Loss Time Injuries ("LTIs"). It is standard internal procedure that if an LTI occurs in licences operated by KrisEnergy, it is thoroughly investigated and addressed through a root cause analysis, with corrective and preventive actions implemented. Our philosophy is continual improvement.

TOTAL MAN-HOURS



We had no fatalities during the reporting period. The injury classifications below include our operational sites in Thailand and Bangladesh. Our Total Recordable Injury Frequency Rate ("TRIFR") includes Lost Time Injuries ("LTIs"), Restricted Work Day Cases ("RWDC"), Medical Treatment Cases ("MTC") as well as First Aid Cases ("FAC"). As there were drilling activities in Block 9, Bangladesh in 2016, there was a higher TRIFR compared to 2017.

YEAR	LOST TIME INJURY FREQUENCY RATE ("LTIFR")	TOTAL RECORDABLE INJURY FREQUENCY RATE
2017	0	0.38
2016	0	1.67
2015	0.58	0.78

For operations directly controlled by KrisEnergy, the primary goal is to better the industry standard of 0.27 LTIF (based on the Safety Performance Indicators data provided by the International Association of Oil and Gas Producers) with zero reportable Environmental Incidents. Operation Managers will however be tasked to achieve zero LTI and reportable Environmental Incidents on KrisEnergy-supervised operations.

OUR ENVIRONMENT

OUR APPROACH

We are firm believers of protecting the environment and to reduce our impact as low as reasonably practicable. Our business involves extracting oil and gas and we understand that our operations affect the environment and the communities in which we operate. KrisEnergy supports the precautionary principle and aims to avoid negative impacts on the natural environment where feasible. We make certain all risks generated from our operations are identified, assessed and mitigated to a reasonably practicable level.

For FY2017, there was zero non-compliance with environmental laws and/or regulations within the company. In alignment with both ISO 14001 and regulatory requirements in countries we operate in, KrisEnergy has an integrated group-wide system for reporting spillages of oil, dirty water and other pollutants.

We are committed to continual improvement in our environmental performance through an internal management system that meets the ISO 14001 environmental management system international standard. Our Singapore, Jakarta and Dhaka offices and the Bangora gas field operations are all ISO 14001 certified by SGS and accredited by the UK Accreditation Service ("UKAS").

We strongly advocate reduce, reuse and recycle within our offices and operations. We aim to incorporate environmental conservation measures at all stages of our operations. We also comply with international guidelines on waste management. For example, all operational sites have waste management plans where waste are segregated, recycled and/or disposed of accordingly.

Even though the environmental impact of our office activities is relatively insignificant, we believe it is important to instil values of environmental stewardship in our people. Our offices have a recycling system in place with designated recycling bins placed strategically within the office premises. KrisEnergy works with building management to comply with their recycling requirements. By encouraging our people to actively engage in our environmental endeavours, we hope to be environmentally conscious in whatever we do.

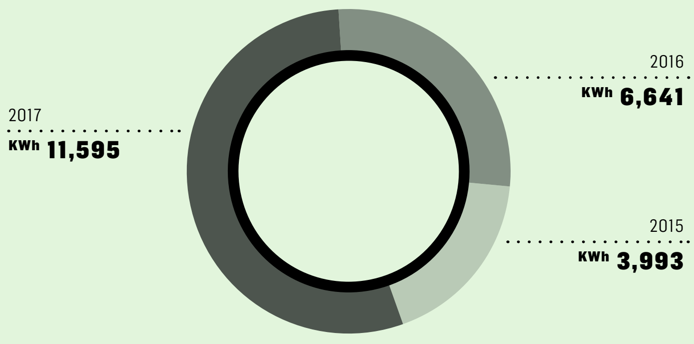
ENERGY

KrisEnergy has an internal management system in line with the ISO 14001 international standard. One of the components of ISO 14001 is energy consumption. We monitor energy consumption in all operations and offices. We are focused on being energy efficient and saving energy through employee awareness. Regular reminders on energy saving tips are distributed in the office. We also stress on energy conservation by ensuring all lights and equipment not in use be switched off or put on sleep mode. We ensure that energy efficient LED lights are used over other types of lighting. KrisEnergy will continue to implement similar energy conservation measures in all its entities.

Electricity is the main source of energy in KrisEnergy offices but operational sites rely on diesel to run generators which in turn produce energy. The charts below break down electricity consumption in our offices and our Gumti onshore site in Bangladesh as well as electricity/diesel/gas usage in our operations in Thailand and Bangladesh.

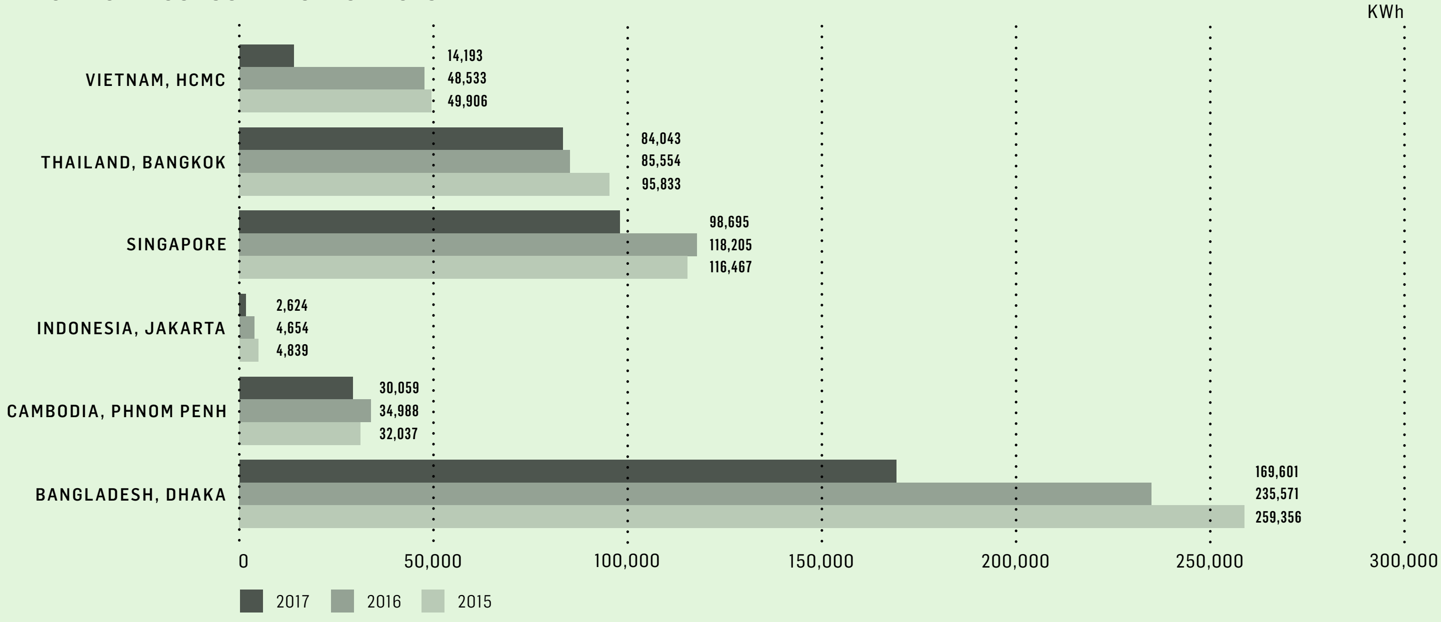
We continuously work towards reducing energy consumption and that our usage is reduced on a yearly basis.

ELECTRICITY CONSUMPTION: GUMTI

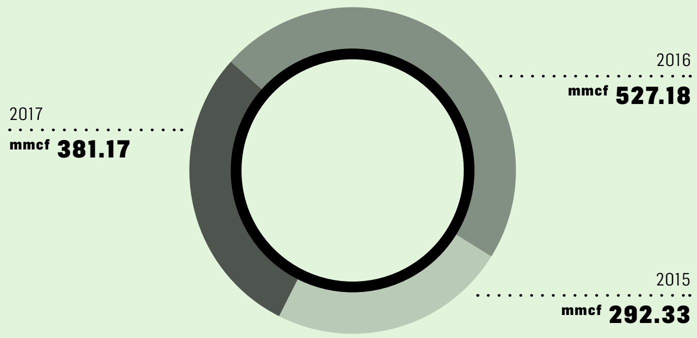


Electricity consumption in Gumti increased significantly in 2017 as there was a need to increase security lighting in that area.

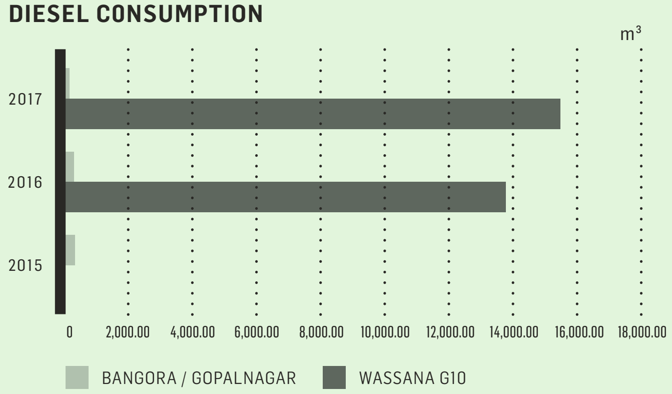
ELECTRICITY CONSUMPTION: OFFICES



GAS CONSUMPTION: BANGORA



DIESEL CONSUMPTION



OUR STAKEHOLDERS

As part of the materiality assessment process, KrisEnergy identified six key stakeholder groups to engage, based on their level of influence and impact on our activities.

STAKEHOLDERS	HOW WE ENGAGE	KEY TOPICS RAISED
INVESTORS / SHAREHOLDERS	Annual meetings Half-yearly investor forums	Corporate governance Financial performance Operational performance
EMPLOYEES	Quarterly or half yearly EHSS initiatives Town hall meetings Daily/weekly safety meetings	Company's outlook Employees' welfare Operational personnel
CONTRACTORS / SUPPLIERS	Contractor/supplier management & assessments	EHSS standards Terms & agreements for contracted work
LOCAL COMMUNITY	Community programs in areas where we operate as well as the cities we have offices Public participation	Education, women empowerment, social development, healthcare and financial support to the local community, seismic / drilling / production operations awareness
REGULATORS	Regular scheduled meetings with government authorities (i.e., Department of Mineral Fuels, SKKMigas, PetroBangla, PetroVietnam, Cambodian Ministry of Mines and Energy)	Compliances, environmental / EHSS reporting, sourcing and training local talent
JOINT VENTURE PARTNERS	Operational Committee Meetings & Technical Committee Meetings	Operational, financial, technical, joint operations & EHSS matters

A list of KrisEnergy's membership to some of the associations and other organisations is provided here:

- International SOS
- Oil Spill Response Limited
- South East Asia Petroleum Exploration Society
- Indonesian Petroleum Association
- Society of Petroleum Engineers
- Association of International Petroleum Negotiators
- Chartered Accountants Australia & New Zealand
- Chartered Public Accountant Canada
- Institute of Singapore Chartered Accountants
- Association of Chartered Certified Accountants
- Chartered Financial Analyst Institute
- International Business Chamber Cambodia
- Extractive Industry Governance Forum

LOCAL COMMUNITIES

The local communities in the areas in which we have operations are important to us and we strive to ensure our impact is positive. We strive to engage in sustainable projects that leave lasting impact. Our policy focuses on education, healthcare and social development/womens' economic empowerment. Our activities, onshore or offshore, may have some impact on nearby communities and our intention is to fully engage with our communities to provide a full understanding of the oncoming events and operations.

Therefore, we embark on engagement and public participation programs before we conduct any operational activity onshore or offshore. This involves educational sessions within the local community and a full description of planned activities. KrisEnergy believes such forums are essential to communicate and provide technical substance to stakeholders such as the authorities, shareholders, debt holders, partners and service providers.

We contribute to various educational programs and charities across Southeast Asia focusing on the needs and progression of children. We believe that education empowers people and by engaging in such programs we will contribute to future generations. We distribute various scholarships to underprivileged meritorious students and work with Non-governmental Organisations ("NGOs") that support students' growth by improving the quality of education, materials and learning environment.

We work with Jaago Foundation in the lower economic areas of Dhaka in Bangladesh, to make available a "Hole in the Wall" computer available to all that encourages children of all ages, regardless of ability, to have access to educational learning materials.

Healthcare in many of the rural areas we operate may be inaccessible or there may be a lack of knowledge within the community. We work closely with NGOs like Bangladesh Jatiya Andha Kalayan Somiti, Centre for the Rehabilitation of the Paralysed and Young Power in Social Action, to organise health camps and education for the disabled, general hygiene, mother and children groups and eye care, among others. Engaging local communities and addressing issues via education and health camps will lead to improvements in our quality of life.

As part of our commitment to improve the lives of communities: we seek ways to improve marginalised and underprivileged locals. In Sihanoukville, Cambodia, we work to empower local women through our Strengthening Women Entrepreneurs ("SWE") program. We developed women's self-help groups across Sihanoukville municipality, Steunghav and Prey Nub districts, where only self-motivated women are identified to form village-based Women's Empowerment Groups ("WEGs").

These groups build financial savings over time, provide low interest loans, and reward dividends to their members. KrisEnergy plays a vital role in training these WEGs in growing their literacy, numeracy, leadership, financial management and entrepreneurial skills. Groups are administered by an elected management committee consisting of the women entrepreneurs who elect rules for their groups and are also trained by KrisEnergy.

For the year 2017, we have a total of 20 WEGs and 500 women participating. They have accumulated a total of US$167,724 in savings.

We conduct monitoring programs to our existing Corporate Social Responsibility ("CSR") programs to gather the necessary feedback for improvement. This allows monitoring of trends, measure changes and captures knowledge to improve programs' performance and increase transparency. Therefore, ensuring our programs are sustainable, makes a difference in the lives of the community. The aim is to assess effects and progress in terms of advances towards the generation of public procedures and trainings and improvements in people's livelihood, focusing on programme outcomes and not just activities.

We intend to continue building on our current programs, monitor our performance and to branch out into new areas not extensively covered previously, specifically in Cambodia.

OUR SUPPLY CHAIN

KrisEnergy works with local and foreign suppliers and contractors in both our administrative and operation businesses. In Thailand and Bangladesh, we work with suppliers on refurbishing, building onshore and/or offshore infrastructure, transporting to our prescribed location and contracting their man-power expertise. In addition, from an administrative aspect, we contract with numerous companies in the oil and gas industry to provide us with oil spill, environmental assessment and health and safety capabilities.

We are aware of the regulatory requirements and strive towards increasing our base of local suppliers in our operating countries. This allows us to support domestic economic growth, create employment opportunities and improve the capacities of the workforce in our host countries.

Throughout our engagement with suppliers and contractors, we assess and monitor their safety systems and procedures, and if needed, ensure training is provided according to our standards. Our contractor/supplier management standards cover pre-qualifications objectives and procedures where potential contractors are encouraged to qualify first before they are contracted by KrisEnergy.

We review potential suppliers' industry reputation, track records, EHSS and labour criteria and any certifications in key sustainability areas. This includes, and is not limited to, OHSAS 18001 and ISO 14001 or any other certifications of equivalent value.

Bridging documents are utilised to tie in our level of EHSS with contractors, suppliers/contractors engaged by KrisEnergy and they are expected to abide by our EHSS policies, procedures and standards. New suppliers are screened and qualified in accordance with our procurement policies.

Management's approach is to source products/materials and services responsibly via a multi-layered approach of suppliers, vendors and contractors, who are committed to our ethical and safety code of conduct. As a general practice, we ensure that there is at least a minimum of three bidders for any project and all bidders must go through our vendor approval process with various questionnaires.

Our supply chain includes providers of products/materials and services largely catered to our operations/drilling activities within our organisation.

As EHSS is upheld highly within our company, we generally tend to engage in business with suppliers who have a similar standing. Due diligence is conducted on our end to ensure our suppliers practise and display a standard requirement of safety compliances within their organisation. To tie our policies and procedures in, we have established a Suppliers Code of Conduct within KrisEnergy in line with our 2018 target.

GLOSSARY

CSR	Corporate Social Responsibility.
EHSS	Environmental, Health, Safety and Security.
FAC	First Aid Cases.
FY2017	Financial year ended 31 December 2017.
GRI	Global Reporting Initiative.
ISO 14001	An international environmental management system standard certified by SGS International Certifications Services and accredited by the UK Accreditation Service.
KWh	Kilowatt hour.
LTIF	Lost Time Injury Frequency.
LTIFR	Lost Time Injury Frequency Rate. The number of lost time injuries per 1,000,000 hours worked.
LTI(s)	Loss time injury (injuries).
mmcf	Millions of cubic feet at standard temperature and pressure.
MTC	Medical Treatment Cases.
NGO	Non-governmental organisation.
OHSAS 18001	An international occupational health and safety management system standard overseen by SGS International Certifications Services and accredited by the Swiss Accreditation Service.
RWDC	Restricted Work Day Cases.
SAS	Swiss Accreditation Service.
SGS	SGS International Certifications Services.
SGX-ST	Singapore Exchange Securities Trading Limited.
SWE	Strengthening Women Entrepreneurs.
TRIFR	Total Recordable Injury Frequency Rate. The number of recordable injuries per 200,000 hours worked.
UKAS	UK Accreditation Service.
WEG	Women's Empowerment Group.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)
GRI 101: FOUNDATION 2017		
GENERAL DISCLOSURES		
	ORGANISATIONAL PROFILE	
	102-1 Name of the organisation	Front Cover
	102-2 Activities, brands, products, and services	Page 4-7
	102-3 Location of headquarters	Page 6-7, 24, 142
	102-4 Location of operations	Page 6-7, 24-25, 142
	102-5 Ownership and legal form	Page 100-101
	102-6 Markets served	Page 9, 24
	102-7 Scale of the organisation	Page 4-5, 6-7, 34-35, 36-39, 40-41, 100-101, 142
	102-8 Information on employees and other workers	Page 7, 128
	102-9 Supply chain	Page 133
	102-10 Significant changes to the organisation and its supply chain	None
	102-11 Precautionary Principle or approach	Page 130
	102-12 External initiatives	Page 128
	102-13 Membership of associations	Page 131
	STRATEGY	
	102-14 Statement from senior decision-maker	Page 125
	ETHICS AND INTEGRITY	
	102-16 Values, principles, standards, and norms of behavior	Page 125
	GOVERNANCE	
GRI 102: GENERAL DISCLOSURES 2017	102-18 Governance structure	Page 42-53, 126
	STAKEHOLDER ENGAGEMENT	
	102-40 List of stakeholder groups	Page 131
	102-41 Collective bargaining agreements	Page 128
	102-42 Identifying and selecting stakeholders	
	102-43 Approach to stakeholder engagement	Page 131
	102-44 Key topics and concerns raised	
	REPORTING PRACTICE	
	102-45 Entities included in the consolidated financial statements	Page 40-41, 70
	102-46 Defining report content and topic Boundaries	Page 127
	102-47 List of material topics	Page 127
	102-48 Restatements of information	NA, first report
	102-49 Changes in reporting	NA, first report
	102-50 Reporting period	AR: Front Cover
	102-51 Date of most recent report	NA, first report
	102-52 Reporting cycle	Page 124
	102-53 Contact point for questions regarding the report	Page 124
	102-54 Claims of reporting in accordance with the GRI Standards	Page 124
	102-55 GRI content index	Page 134
	102-56 External assurance	NA, first report
MATERIAL TOPICS		
GRI 200 ECONOMIC STANDARD SERIES		
ANTI-CORRUPTION		
	103-1 Explanation of the material topic and its Boundary	
GRI 103: MANAGEMENT APPROACH 2017	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	Page 126
GRI 205: ANTI-CORRUPTION 2017	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 300 ENVIRONMENTAL STANDARDS SERIES		
ENERGY		
	103-1 Explanation of the material topic and its Boundary	
GRI 103: MANAGEMENT APPROACH 2017	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	Page 130, 131
GRI 302: ENERGY 2017	302-1 Energy consumption within the organisation	
ENVIRONMENTAL COMPLIANCE		
	103-1 Explanation of the material topic and its Boundary	
GRI 103: MANAGEMENT APPROACH 2017	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	Page 130
GRI 307: ENVIRONMENTAL COMPLIANCE 2017	307-1 Non-compliance with environmental laws and regulations	
GRI 400 SOCIAL STANDARDS SERIES		
OCCUPATIONAL HEALTH AND SAFETY		
	103-1 Explanation of the material topic and its Boundary	
GRI 103: MANAGEMENT APPROACH 2017	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	Page 129
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2017	403-1 Workers representation in formal joint management-worker health and safety committees	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	
LOCAL COMMUNITIES		
	103-1 Explanation of the material topic and its Boundary	
GRI 103: MANAGEMENT APPROACH 2017	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	Page 132
GRI 413: LOCAL COMMUNITIES 2017	413-1 Operations with local community engagement, impact assessments, and development programs	
SUPPLIER SOCIAL ASSESSMENT		
GRI 103: MANAGEMENT APPROACH 2017	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	Page 133
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2017	414-1 New suppliers that were screened using social criteria	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

KRISENERGY LTD.
COMPANY REGISTRATION NUMBER: 231666
INCORPORATED IN THE CAYMAN ISLANDS ON 5 OCTOBER 2009

NOTICE IS HEREBY GIVEN THAT THE FIFTH ANNUAL GENERAL MEETING OF KRISENERGY LTD. (THE "COMPANY") WILL BE HELD AT PAPRIKA ROOM, LEVEL 5, NOVOTEL CLARKE QUAY SINGAPORE, 177A RIVER VALLEY ROAD, SINGAPORE 179031 ON 26 APRIL 2018 AT 9.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS (THE "ANNUAL GENERAL MEETING"):

A	ORDINARY BUSINESS	ORDINARY RESOLUTION
1.	To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 December 2017 and the Auditor's Report thereon.	RESOLUTION 1
2.	To re-elect Mr. Kelvin Tang Chih Hao, a Director retiring pursuant to Article 118 of the Company's Articles of Association, and who, being eligible, offers himself for re-election as a Director of the Company. [See Explanatory Note 1]	RESOLUTION 2
3.	To re-elect Mr. Chris Ong Leng Yeow, a Director retiring pursuant to Article 118 of the Company's Articles of Association, and who, being eligible, offers himself for re-election as a Director of the Company. [See Explanatory Note 1]	RESOLUTION 3
4.	To re-elect Mr. Alan Rupert Nisbet, a Director retiring pursuant to Article 125 of the Company's Articles of Association, and who, being eligible, offers himself for re-election as a Director of the Company. [See Explanatory Note 1]	RESOLUTION 4
5.	To approve the sum of US$600,000 (S$807,366) to be paid to all non-executive directors as Directors' fees for the financial year ended 31 December 2017. (2016: US$736,875 (S$1,106,888)) [See Explanatory Note 2]	RESOLUTION 5
6.	To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.	RESOLUTION 6

B	**SPECIAL BUSINESS**	**ORDINARY RESOLUTION**

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7. That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to: **RESOLUTION 7**

(1) (i) issue shares in the capital of the Company (the "Shares") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares (collectively, "Instruments"), at any time and upon such terms and conditions and for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit; and

(2) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including new Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50.0 per cent. of the issued share capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to the shareholders of the Company (including new Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20.0 per cent. of the issued share capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (a) above, the percentage of issued share capital shall be based on the issued share capital of the Company excluding treasury shares at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note 3]

8. To transact any other business as may properly be transacted at an annual general meeting.

BY ORDER OF THE BOARD

Sally Ting / Jennifer Lee JOINT COMPANY SECRETARIES

9 APRIL 2018, SINGAPORE

NOTICE OF ANNUAL GENERAL MEETING

NOTES

1. **POLL.**
All the resolutions proposed at the Annual General Meeting will be voted on by way of poll.

2. **DEPOSITORS.**
Under the Articles of Association of the Company (the "Articles"), unless The Central Depository (Pte) Limited ("CDP") specifies otherwise in a written notice to the Company, CDP is deemed to have appointed as CDP's proxies to vote on behalf of CDP at the Annual General Meeting each of the persons (who are individuals) holding shares in the capital of the Company through CDP and whose shares are entered in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) ("Depositors"), whose names are shown in the records of CDP as at a time not earlier than 72 hours prior to the time of the Annual General Meeting supplied by CDP to the Company, and such appointment of proxies shall not require an instrument of proxy or the lodgement of any instrument of proxy.

A Depositor who is not a relevant intermediary may appoint not more than two persons (who shall be natural persons) to attend and vote in his place as proxy or proxies of CDP in respect of his shareholding, and a Depositor who is a relevant intermediary may appoint more than two persons (who shall be natural persons) to attend and vote in its place as proxy or proxies of CDP in respect of its shareholding, by completing and submitting the Depositor Proxy Form. "Relevant intermediary" has the meaning ascibed to it in section 181 of the Singapore Companies Act, Chapter 50.

The submission of a Depositor Proxy Form shall not preclude a Depositor appointed as a proxy by virtue of the Articles from attending and voting at the Annual General Meeting but in the event of attendance by such Depositor, the Depositor Proxy Form submitted bearing his name as the Nominating Depositor (as defined in the Articles) shall be deemed to be revoked. The Company will reject a Depositor Proxy Form if the Nominating Depositor's name is not shown in the records of CDP as at a time not earlier than 72 hours prior to the time of the Annual General Meeting supplied by CDP to the Company.

Where a Depositor is a corporation and wishes to be represented at the Annual General Meeting, it must appoint a person or persons (who shall be natural persons) to attend and vote as proxy or proxies of CDP at the Annual General Meeting in respect of its shareholding, by completing and submitting the Depositor Proxy Form.

3. **MEMBERS .**
A member of the Company (other than CDP) who is not a relevant intermediary and who is the holder of two or more shares is entitled to appoint not more than two proxies to attend and vote instead of him, and a member of the Company (other than CDP) who is a relevant intermediary and who is the holder of two or more shares is entitled to appoint more than two proxies to attend and vote instead of him, by completing and submitting the Shareholder Proxy Form. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Singapore Companies Act, Chapter 50.

A proxy need not be a shareholder of the Company. Delivery of the Shareholder Proxy Form shall not preclude a shareholder from attending and voting in person at the Annual General Meeting and in such event, the Shareholder Proxy Form shall be deemed to be revoked.

4. **DEPOSIT OF INSTRUMENT OF PROXY.**
The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at the office of M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902 at least 72 hours before the time appointed for holding the Annual General Meeting.

5. **PERSONAL DATA PRIVACY.**
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a shareholder of the Company or, as the case may be, a Depositor (i) consents to the collection, use and disclosure of the shareholder's or, as the case may be, the Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder or, as the case may be, the Depositor discloses the personal data of the shareholder's or, as the case may be, the Depositor's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder or, as the case may be, the Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder or, as the case may be, the Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's or, as the case may be, the Depositor's breach of warranty.

EXPLANATORY NOTES

RESOLUTIONS 2 TO 4

1. Detailed information on these Directors can be found in the section Board of Directors of the Company's 2017 Annual Report.
   - **(a)** Mr Kelvin Tang Chih Hao was appointed to the board on 9 November 2017. He is a non-Independent Executive Director, and is also Chief Executive Officer and President, Cambodia. Mr Kelvin Tang Chih Hao has appointed as alternate, Mr Kiran Raj (currently Chief Financial Officer and Vice President Finance and Administration), who will continue in office as alternate Executive Director if Mr Kelvin Tang Chih Hao is re-elected.
   - **(b)** Mr. Chris Ong Leng Yeow was appointed to the Board on 5 January 2018. He is a non-Independent Non-executive Director and upon re-election as a Director of the Company, will remain as a member of the Audit and Risk Mangement Committee and the Nominating Committee.
   - **(c)** Mr. Alan Rupert Nisbet, upon re-election as a Director of the Company, will remain as a member of the Audit and Risk Mangement Committee and Remuneration Committee and is considered independent.

RESOLUTION 5

2. SGD to USD exchange rates of 1.35:1 and 1.38:1 were used for the financial years ended 31 December 2017 and 31 December 2016, respectively.

RESOLUTION 7

3. Resolution 7 is to empower the Directors to issue shares in the capital of the Company and/or to make or grant Instruments (as defined in Resolution 7). The aggregate number of Shares which may be issued pursuant to Resolution 7 (including new Shares to be issued in pursuance of Instruments made or granted pursuant to Resolution 7) shall not exceed 50.0 per cent. of the issued share capital of the Company excluding treasury shares, with a sub-limit of 20.0 per cent. for Shares issued other than on a pro rata basis to Shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares in the capital of the Company excluding treasury shares at the time of the passing of Resolution 7, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time Resolution 7 is passed; and (ii) any subsequent bonus issue, consolidation or subdivision of Shares.

CORPORATE INFORMATION

AS AT 1 APRIL 2018

BOARD OF DIRECTORS

Tan Ek Kia	Independent Non-executive Chairman
Kelvin Tang	Chief Executive Officer, Executive Director and President, Cambodia
Kiran Raj	Chief Financial Officer, Alternate Executive Director to Kelvin Tang and Vice President Finance and Administation
Chan Hon Chew	Non-executive Director
Chris Ong Leng Yeow	Non-executive Director
John Koh	Non-executive Independent Director
Duane Radtke	Non-executive Independent Director
Alan Nisbet	Non-executive Independent Director
Keith Pringle	Non-executive Independent Director

AUDIT COMMITTEE

John Koh Chairman
Tan Ek Kia
Chris Ong Leng Yeow
Alan Nisbet
Keith Pringle

NOMINATING COMMITTEE

Tan Ek Kia Chairman
John Koh
Duane Radtke
Chris Ong Leng Yeow

REMUNERATION COMMITTEE

Duane Radtke Chairman
Alan Nisbet
Keith Pringle
Chan Hon Chew

EXECUTIVE COMMITTEE

Tan Ek Kia Chairman
John Koh
Chan Hon Chew
Kelvin Tang

JOINT COMPANY SECRETARIES

Sally Ting
Jennifer Lee

REGISTERED OFFICE

Intertrust Corporate Services (Cayman) Limited

190 Elgin Avenue, George Town, Grand Cayman, KY1–9005, Cayman Islands
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F: +1 345 945 4757

SINGAPORE OFFICE

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F: +65 6538 3622

SHARE TRANSFER AGENT

M&C Services Private Limited
112 Robinson Road, #05–01, Singapore 068902

AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way, OUE Downtown 2, #33-00 Singapore 068809

AUDIT PARTNER

Yang Chi Chih
Year appointed: 2017
Public Accountants and Chartered Accountants
6 Shenton Way, OUE Downtown 2, #33-00 Singapore 068809

GLOSSARY

THIS GLOSSARY CONTAINS EXPLANATIONS AND DEFINITIONS OF CERTAIN TERMS USED IN CONNECTION WITH OUR BUSINESS.
THE TERMS AND THEIR ASSIGNED MEANING MAY NOT CORRESPOND TO STANDARD INDUSTRY OR COMMON MEANING OR USAGE OF THESE TERMS.

1C	Low estimate scenario of contingent resources.
1P	Equivalent to proved reserves; denotes low estimate scenario of reserves.
2017 Notes	S$130 million fixed-rate notes due June 2017.
2018 Notes	S$200 million fixed-rate notes due August 2018.
2022 Notes	S$130 million fixed-rate notes due June 2022.
2023 Notes	S$200 million fixed-rate notes due August 2023.
2024 ZCNs	Senior secured zero coupon notes due 2024.
2C	Best estimate scenario of contingent resources.
2P	Equivalent to proved plus probable reserves; denotes best estimate scenario of reserves.
3C	High estimate scenario of contingent resources.
3D seismic data	Geophysical data that depicts the subsurface strata in three dimensions (3D). 3D seismic typically provides a more detailed and accurate interpretation of the subsurface strata than 2D seismic.
3P	Equivalent to proved plus probable plus possible reserves; denotes high estimate scenario of reserves.
basin	Areas where sedimentary rocks have accumulated over time, which are regarded as good prospects for oil and gas exploration.
bbl	Barrel.
bcf	Billion cubic feet.
boe	Barrel of oil equivalent.
boepd	Barrel(s) of oil equivalent per day.
bopd	Barrel(s) of oil per day.
contingent resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but are not currently considered to be commercially recoverable due to one or more contingencies.
DBS	DBS Bank Ltd.
DD&A	Depreciation, depletion and amortisation.
development well	A well drilled to obtain production from a proven oil or gas field.
DMO	Domestic Market Obligation.
EBITDAX	Earnings before interest, tax, depreciation, amortisation, geological and geophysical expenses and exploration expenses. EBITDAX is used when reporting earnings for oil and mineral exploration companies. Excluding geological and geophysical expenses and provides the true EBITDA of the firm.
EHSS	Environmental, Health, Safety and Security.
EPT	Excess profit tax.
Executive Director	A Director of our Group who performs an executive function.
First Reserve	First Reserve Fund XII, L.P.
FOB	Free-on-board.
FTP	First Tranche Petroleum.
GDSPNTR	General Department of State Property and Non Tax Revenue.
gross reserves	The total volume of oil and/or gas anticipated to be commercially produced in the future.
ISO 14001	Environmental management system international standard certified by SGS International Certifications Services and accredited by the UK Accreditation Service.
km	Kilometre.

leads	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect.
lifting costs	Costs to operate and maintain oil and gas wells and related equipment, and facilities to bring oil and gas to the surface.
LTI	Loss time injury.
mcf	Thousand cubic feet.
MD	Measured depth, describes the length of the borehole of a well.
mm	Million.
mmbo	Million barrels of oil.
mmboe	Million barrels of oil equivalent.
mmcf	Million cubic feet.
mmcfd	Million cubic feet per day.
MME	Ministry of Mines and Energy (Cambodia).
Notes	2022 Notes, 2023 Notes and the 2024 ZCNs.
NSAI	Netherland, Sewell & Associates, Inc.
OHSAS 18001	An international occupational health and safety management system standard overseen by SGS International Certifications Services and accredited by the Swiss Accreditation Service.
possible reserves	Those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than probable reserves.
probable reserves	Those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than proved reserves but more certain to be recovered than possible reserves.
prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable exploration drilling target.
prospective resources	Those quantities of petroleum, which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
proved reserves	Those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations.
PSC	Production sharing contract, which is an agreement with the relevant host government, which outlines the fiscal terms for exploring, developing and producing oil and gas within a specified contract area.
QPR	Qualified person's report.
RCF	Revolving Credit Facility.
reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
resources	All quantities of petroleum (recoverable and unrecoverable) naturally occurring on or within the Earth's crust, discovered and undiscovered, plus those quantities already produced.
SGX-ST	Singapore Exchange Securities Trading Limited.
sq. km	Square kilometre.
TVDSS	Total vertical depth subsea.
TVT	True vertical thickness.
Warrants	Detachable warrants issued pursuant to the preferential offering of the 2024 ZCNs, each warrant carrying the right to subscribe for one new share.
work program	An annual budget program that defines the seismic, well drilling and facilities construction plans.
working interest	Percentage ownership in a joint operation associated with revenue and costs. Working interests do not take into account the terms of any royalties, government shares of production, or similar fiscal terms, and thus do not reflect net entitlement to any oil or gas produced.

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