FARMOUT FLYER

SAKTI PSC

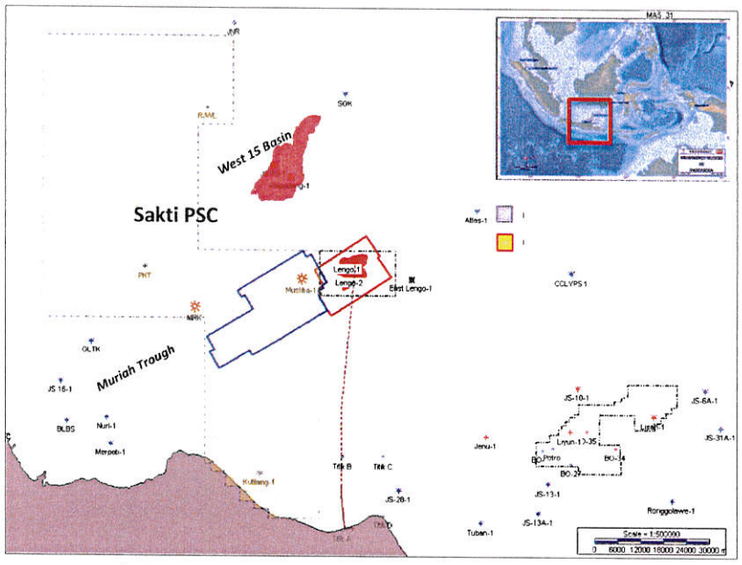
Offshore East Java, Indonesia
Investment Opportunity

KrisEnergy (KE) is seeking a partner to participate in the Sakti PSC. Sakti is a unique entry opportunity into the East Java gas market in a proven play with tcf potential. The Block holds exploration, appraisal and tie-back opportunities.

The Opportunity

The Sakti PSC is situated offshore East Java with nearly 2tcf of prospective and contingent in-place gas resource in close proximity to the Kepodang and Lengo (approved POD) Fields. Water depth across the block ranges from 0 to 60m. The Sakti PSC was signed by KE on February 26th, 2014. KE holds a 95% operating interest in the concession and all firm work commitments have been fulfilled.

During 2014 KE acquired 401km2 of 3D seismic data tying into the Lengo Field, located 15km to the ENE in the adjacent Bulu PSC. Several prospects were identified, bearing similar seismic attribute responses to that observed at Lengo. Mustika-1 was drilled in December 2015, encountering gas with ~57% C02 and ~10% N2 in the Kujung I carbonates. Post-drill analysis indicates an in-place raw gas potential of Mustika at 830 bcf. KrisEnergy also acquired 1202km of 2D seismic data to better define the Block's prospectivity, which led to the identification of the West Kepodang Prospect with 857bcf in-place resource potential.



The Play

The primary targeted play within the Sakti PSC is directly analogous to the adjacent KE operated Lengo Field. The main reservoir objective is the early Miocene Kujung I carbonate that is subdivided into upper and lower porous units that are in vertical communication. The upper porous unit (red-algal facies), usually exhibits slightly lower poro-perms and occasional shale stringers. The lower porous unit (coralline facies) generally exhibits very good-excellent reservoir properties, forming the primary productive interval throughout the area.

Figure 1 - Sakti PSC location, Offshore East Java, Indonesia.

Structural traps formed by drape of the overlying Lower Tuban shales comprise the primary trapping mechanism, with most accumulations proven to be full to spill. KE basin analysis indicate both thermogenic and biogenic sources in the region; the Kepodang Field produces biogenic-sourced gas from Late Miocene Tuban sandstone reservoirs whilst carbon isotope data indicates the Lengo and Mustika Fields are of mixed thermogenic and biogenic origin. These gases are believed sourced from the Muriah Trough located to the SW of the Fields.

Prospects and Leads – Exploration, Appraisal and Tie-Back Potential

Several large structures have been identified on the Block with an aggregate in-place resource in excess of 2tcf. The bulk of the resource potential is found in Mustika, and the West Kepodang and SKI-2 Prospects (Figure 2)

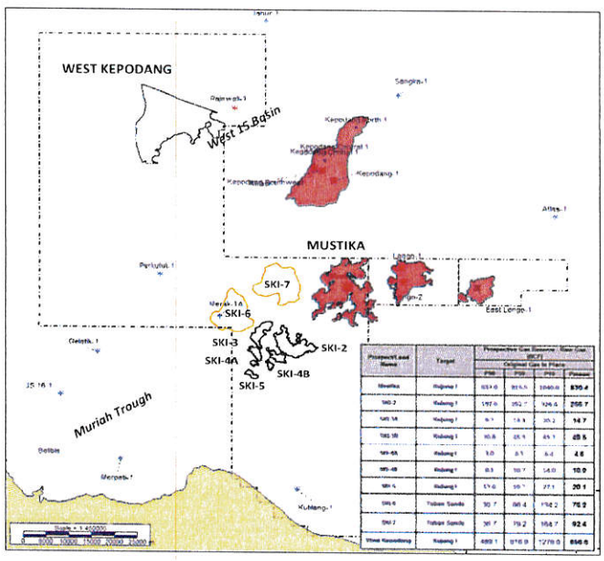


Figure 2 - Sakti PSC Prospect and Lead Inventory

West Kepodang and SKI-2 hold an in-place resource potential in excess of 1 tcf. West Kepodang, a well-defined Kujung 1 carbonate build-up, is believed to be primarily biogenic gas with a likely low CO2 content, sourced from the adjacent West 15 Basin. West Kepodang could be tied back to the Petronas-operated Kepodang Field facilities, located 10km to the east.

With an in-place contingent recoverable resource of 830bcf (220bcf net methane recoverable) Mustika represents a low risk appraisal opportunity with a viable tie-back development scenario to either Lengo or Kepodang. The adjacent SKI-2 Kujung 1 Prospect, high graded by the clear presence of gas indicated by acoustic impedance tied to the proven Mustika and Lengo Fields (Figure 3), represents additional low risk potential

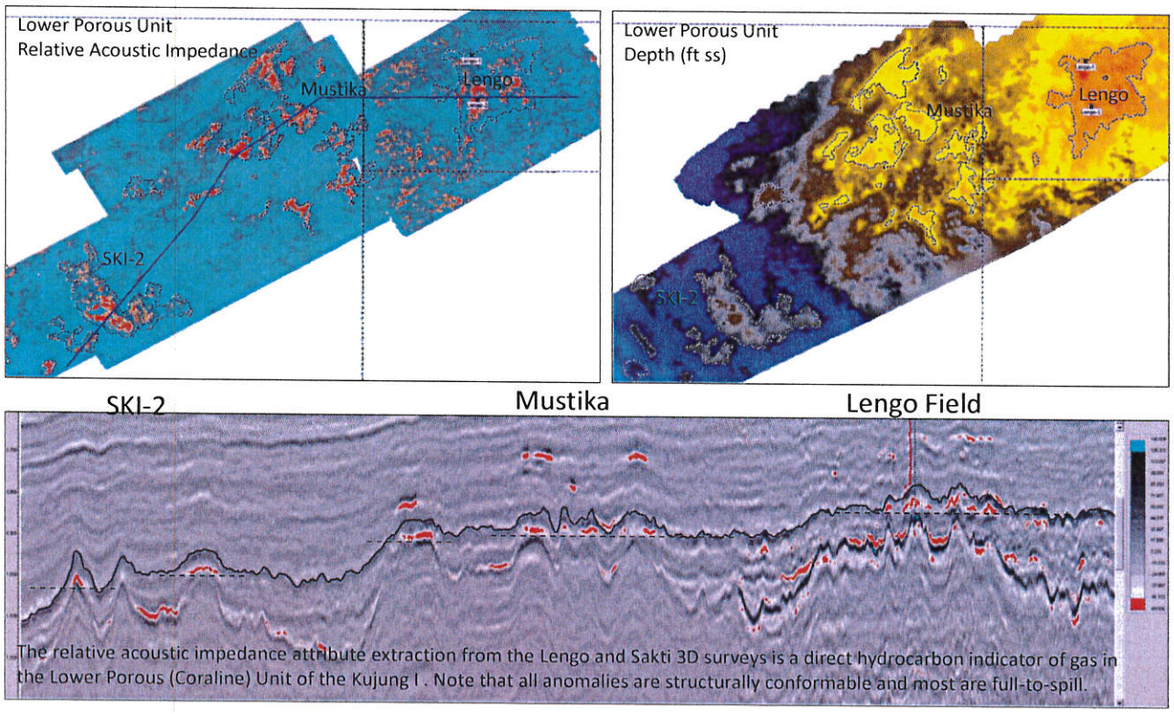


Figure 3. Sakti PSC Structural Conformity of Relative Acoustic (Acoustic Impedance from gas-filled Kujung I Reservoirs)

Terms

Kris Energy is offering up to 47% working interest in the block for pro-rata share of back costs and a full carry on a discretionary exploration/appraisal well.

Contacts

Dr. Gadjah E. Pireno
Exploration Manager Indoneisa
KrisEnergy Ltd
gadjah.pireno@krisenergy.com

Mike Whibley
Vice President Technical
KrisEnergy Ltd
mike.whibley@krisenergy.com