KS ENERGY LIMITED
An Integrated Energy Services Hub

KS ENERGY GROUP RIG "KS DISCOVERER 1" STOPS DRILLING OPERATION IN KURDISTAN DUE TO FORCE MAJEURE

KS Energy Limited (the "Company" and together with its subsidiaries, the "Group") previously announced that Atlantic Onshore Services BV, a subsidiary of KS Drilling Pte Ltd ("KS Drilling"), had entered into a contract to provide drilling services and the charter of "KS Discoverer 1", the Group's 1,500HP onshore drilling rig (the "Rig"), with OP Hawler Kurdistan Limited (formally known as Norbest Limited) (the "Client"). Work was expected to continue until the first quarter of 2015.

Due to the continuing unrest in Kurdistan and restricted/no access to the work-site for security reasons, the Client declared an event of Force Majeure in August 2014 and recently issued a notice of termination of the contract.

While the Rig is currently secure there is limited access to the work-site due to security concerns. KS Drilling continue to engage the Client and has reserved its rights under the contract pending retrieval of the Rig from the work-site when the security situation permits.

The Company will provide further updates in the event of any material developments. KS Discoverer 1 and KS Discoverer 4, also stationed in Kurdistan, are insured against war & terrorism perils in-line with KS Drillings' policy on insurance.

None of the Directors or Substantial Shareholders of the Company has any direct or indirect interest in the aforesaid transactions, other than for their respective interests, through their shareholdings and/or directorships, as the case may be, in the Company.

KS Drilling, an 80%-owned subsidiary of the Company, is an investment holding company. The main activities of its subsidiaries are in the provision of onshore and offshore drilling services, rig management and support services, oilfield equipment ownership and leasing.

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By Order of the Board
KS Energy Limited

Caroline Yeo
Company Secretary
02 October 2014

For more information on KS Energy Limited, please visit our website at www.ksenergy.com.sg

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