

**INCREASE IN SHAREHOLDING IN AN INDIRECT SUBSIDIARY  
– PT. PETRO PAPUA ENERGI**

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The Board of Directors of KS Energy Limited (the “Company”) wishes to announce that its 80%-owned subsidiary, KS Drilling Pte. Ltd. (“KSDR”) has increased its equity stake in PT. Petro Papua Energi (“PPE”) from 60% to 90% by acquiring 900 ordinary shares (the “Sale Shares”) from PT. Semesta Bara Energi.

The total consideration paid by KSDR for the Sale Shares was US\$1.00 and was arrived at on a willing-buyer and willing-seller basis taking into account, *inter alia*, the current book value of the Sale Shares. As at 31 December 2013, the unaudited net tangible liabilities of the Sale Shares were US\$0.51 million (approximately S\$0.65 million).

PPE is a private company limited by shares and incorporated under the laws of Indonesia with a total paid-up share capital of Rp.3,000,000,000.00 divided into 3,000 shares of Rp1,000,000.00 each and its principal activity is the provision of drilling services to the Indonesian oil and gas industry.

The acquisition of the Sale Shares was funded by internal resources and is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2014.

None of the directors or the substantial shareholders of the Company has any direct or indirect interest in the aforesaid acquisition, save for their respective interests, through their shareholdings and/or directorships, as the case may be, in the Company.

By Order of the Board  
**KS Energy Limited**

Busarakham Kohsikaporn  
Company Secretary

21 March 2014

For more information on KS Energy Limited, please visit our website at [www.ksenergy.com.sg](http://www.ksenergy.com.sg)