KS ENERGY LIMITED
An Integrated Energy Services Hub

INCREASE OF SHAREHOLDINGS IN A SUBSIDIARY
- KS DRILLING PTE. LTD.

The Board of Directors of KS Energy Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that KS Drilling Pte. Ltd. ("KSDR"), an 80%-owned subsidiary of the Company and the remaining 20% is owned by Itochu Corporation ("Itochu"), has increased its registered share capital from US$226,196,000.00 to US$226,874,000.00 (the "Capital Increase") by allotting and issuing of 1,000,000 new ordinary shares, at the issue price of US$0.678 per share, for a total cash consideration of US$678,000/- payable in full by the Company ("Share Subscription"). The issue price of US$0.678 per share was arrived at after taking into account the book value of the shares of KSDR. The book value of the shares of KSDR was approximately US$0.678 per share as at 30th April 2016.

Consequent to the Capital Increase the resultant ordinary shareholdings owned by the Company and Itochu respectively are 179,156,000 ordinary shares representing 80.09% and 44,539,000 ordinary shares representing 19.91% of the total number of issued ordinary shares in the capital of KSDR.

The aforesaid Share Subscription was funded by internal resources and does not have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2016.

None of the directors or the substantial shareholders of the Company has any direct or indirect interest in the Share Subscription, 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

Kim Yi Hwa
Company Secretary
24th June 2016

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

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