KS ENERGY LIMITED
An Integrated Energy Services Hub

RESPONSE TO SGX-ST'S QUERY ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors of KS Energy Limited (the "**Company**", together with its subsidiaries, the "**Group**") would like to respond to the question raised by the SGX-ST on 25 April 2016 in relation to the Company's annual report for the financial year ended 31 December 2015 ("**Annual Report 2015**") as follows:

SGX-ST'S Question:

With regard to Use of Proceeds on page 42 of Annual Report 2015, where the proceeds have been used for **working capital** purposes please provide a breakdown with **specific details** on how the proceeds have been applied.

Company's response:

Further to the Company's announcement dated 21 September 2015 (the "**Announcement**") in relation to the Company's issue of S$7,500,000 Convertible Bonds (the "**New Convertible Bonds**"), the Company wishes to provide an update on the breakdown of net proceeds of approximately S$7.4 million from issue of the New Convertible Bonds as follows:

Use of Proceeds	Amount
Refinancing of debt	S$6.3 million
Working capital – staff costs	S$0.8 million
Working capital – office costs	S$0.2 million
Working capital – interest costs	S$0.1 million
Total	**S$7.4 million**

The above use of proceeds is in accordance with the intended use as stated in the Announcement. All the proceeds have been utilized as at the date of this announcement.

BY ORDER OF THE BOARD
KS ENERGY LIMITED

Kim Yi Hwa
Company Secretary

27 April 2016

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

19 Jurong Port Road Singapore 619093 Tel: +65 6577 4600 Fax: +65 6577 4618
E-mail: mail@ksenergy.com.sg Website: www.ksenergy.com.sg Company Registration No: 198300104G