
ENTRY INTO MUTUAL RELEASE DEED

1. **INTRODUCTION**

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of KS Energy Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the previous announcements on 14 February 2018 and 28 January 2018, and wishes to announce that the Company has on 19 October 2018 entered into a mutual release deed (“**Mutual Release Deed**”) with KS Distribution Pte Ltd (a 55.35% subsidiary of the Company) (“**KSD**”), Actis Excalibur Limited (“**Actis**”), Kris Taenar Wiluan (“**Kris Wiluan**”), Richard James Wiluan (“**Richard Wiluan**”), KS Resources Pte. Ltd. (a wholly-owned subsidiary of the Company) (“**KSR**”), Aqua-Terra Oilfield Equipment & Services Pte. Ltd. (“**ATOES**”) and SSH Corporation Ltd. (“**SSH**”) (collectively, the “**Parties**”) on a without prejudice basis. The Mutual Release Deed sets out the terms and conditions of the full and final settlement, waiver and release of any and all disputes *inter se* in and/or arising out of and/or in connection with the Legal Proceedings (as defined below), the Investment Agreement (as defined below) and the dealings with KSD or its subsidiaries (the “**Disputes**”).
- 1.2. Kris Wiluan is the Executive Chairman and Chief Executive Officer of the Company and Richard Wiluan is the Executive Director of the Company.

2. **INVESTMENT AGREEMENT**

The Company and Actis entered into an Investment Agreement dated 8 December 2009 (the “**Investment Agreement**”), which set out the terms and conditions which govern the acquisition of shares in KSD by *inter alios* the Company and Actis, and regulating the rights and obligations between them as shareholders of KSD and certain aspects of, and their dealings with, KSD.

3. **LEGAL PROCEEDINGS**

Kris Wiluan, Richard Wiluan, KSD and Actis are currently involved in a series of legal proceedings pertaining to *inter alia*, (i) actions brought by Actis on behalf of KSD, Aqua-Terra Oilfield Equipment & Services Pte Ltd and SSH Corporation Ltd against Kris Wiluan and Richard Wiluan for alleged breaches of fiduciary duties and directors’ duties, (ii) various claims by Actis against KSD for matters involving but not limited to, declarations that a directors’ resolution passed are void and *ultra vires* and (iii) arbitration claims by Actis against KSD to exercise its alleged informational rights under the Investment Agreement and counterclaims against Actis for alleged breach of the duty of good faith and withholding consent to related party transactions unreasonably (collectively, the “**Legal Proceedings**”).

4. **PRINCIPAL TERMS OF THE MUTUAL RELEASE DEED**

In full and final settlement of the disputed matters in the Legal Proceedings and all other issues arising out of, related to or in connection with the Disputes, the Investment Agreement and the management of KSD or its subsidiaries, as at the date of the Mutual Release Deed:

4.1. **Waiver and Release**

- 4.1.1 Each Party agrees to, and where applicable, undertakes to procure that its relevant subsidiaries (the Parties and the relevant subsidiaries shall be referred to as the

“Releasing Party” and collectively as the **“Releasing Parties”**) wholly release and forever discharge the other Parties, their directors, shareholders, employees and/or agents, and the directors, shareholders, employees and/or agents of their relevant subsidiaries (collectively, the **“Released Parties”**) from any and all allegations, complaints, demands, obligations, liabilities, claims, causes of actions, remedies and reliefs of any kind whatsoever, known or unknown, which each Releasing Party may have, whether individually or collectively with another party, against one or more of the Released Parties arising out of, related to or in connection with the Disputes as of the effective date. The Company shall subsequently update shareholders on the effective date.

- 4.1.2 Each Releasing Party undertakes not to (whether directly or indirectly) initiate, bring or make any further allegations, complaints, demands, claims, counterclaims, suits, actions, and/or proceedings (including in Court and in arbitration) against the Released Parties, arising out of, related to or in connection with the Disputes as of the effective date.
- 4.1.3 The Company, KSR, KSD, ATOES, SSH and Actis agree and undertake to procure, obtain and/or pass such necessary approvals and resolutions in respect of each of their relevant subsidiaries (where applicable) to wholly release and forever discharge the other Released Parties from any and all allegations, complaints, demands, obligations, liabilities, claims, causes of actions, remedies and reliefs of any kind whatsoever, known or unknown, which each relevant subsidiary (where applicable) may have, whether individually or collectively with another party, against one or more of the Released Parties, arising out of, related to or in connection with the Disputes as of the effective date.
- 4.1.4 Each Releasing Party agrees not to (whether directly or indirectly) initiate, bring or make any further allegations, complaints, demands, claims, counterclaims, suits, actions, and/or proceedings (including in Court and in arbitration) against the Released Parties, arising out of, related to or in connection with the Disputes with effect from the effective date.
- 4.1.5 Without prejudice to the generality of Sections 4.1.1 to 4.1.4 above, each of KSD, the Company and Actis irrevocably and unconditionally:
 - i. agrees that each of them has irrevocably waived all applicable pre-emptive rights, rights of first refusal and all other rights, obligations and requirements whether under the Investment Agreement or otherwise relating to the proposed sale of the shares in KSD by the Company and Actis to ACH Distribution Pte. Ltd. (the **“Proposed Sale”**);
 - ii. warrants to each other party that it has no claims against the other party under or in connection with the Investment Agreement, whether in relation to the Proposed Sale or otherwise, with effect from the effective date;
 - iii. agrees that the Investment Agreement is terminated and shall cease to be legally binding or have any effect whatsoever and neither party shall have any further rights or obligations under the Investment Agreement, with effect from the effective date; and
 - iv. waives, releases and discharges each other party from further observance and performance of the Investment Agreement and from any and all claims, liabilities, duties, proceedings, actions and demands of whatsoever nature which it now has or may hereafter have against the other party (including those not yet ascertainable, if any, as well as those known) howsoever arising from or in connection with the Investment Agreement and/or the termination thereof, with effect from the effective date.

4.2. Waiver of Liabilities of Directors

- 4.2.1 Without prejudice to the generality of Section 4.1 above, each of KSR, KSD, ATOES and SSH (collectively, the “**Procuring Parties**”) agrees to procure, obtain and/or pass such necessary approvals and resolutions, to waive any and all liabilities of each and every director nominated by the Company or Actis to the board of KSD (such directors, the “**Relevant Directors**”), in respect of KSD and its subsidiaries, in any event within 2 months (or such longer time as the Company and/or Actis may agree) from the effective date.
- 4.2.2 Each of the Procuring Parties agrees to take all necessary actions to protect, defend, save and hold the Relevant Directors harmless from and against all losses, costs, liabilities, claims, damages and expenses of every kind and character, as incurred, resulting from or relating to or arising out of any breach of the obligations set out in Section 4.2.1 above.
- 4.2.3 For the avoidance of doubt, and for the purposes of this Paragraph 4.2, reference to “directors” shall include all types of directors, including but not limited to shadow, alternate and substitute directors.

4.3. Discontinuance of Proceedings

The Parties agree and undertake to take all necessary steps to discontinue and/or withdraw all legal proceedings with no order as to costs, save for costs which have been ordered by Court prior to the execution of this Mutual Release Deed (if any) pertaining to the Disputes, the Investment Agreement and the management of KSD within 14 days of the effective date.

The Company will update shareholders of the Company as and when there are any other material developments on the above.

**BY ORDER OF THE BOARD
KS ENERGY LIMITED**

Lai Kuan Loong Victor
Company Secretary
19 October 2018