KS ENERGY LIMITED
An Integrated Energy Services Hub

PROPOSED ISSUE OF FIXED RATE SECURED BONDS DUE 2020 AND THE PROPOSED ISSUE OF NON-LISTED BONUS WARRANTS

ENTRY INTO SECOND AMENDMENT DEEDS IN RELATION TO THE CLOSING DATE OF THE PROPOSED TRANSACTIONS

1. INTRODUCTION

1.1 The board of directors (the "**Directors**") of KS Energy Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcements dated 26 May 2017, 1 August 2017 and 29 September 2017 in relation to the Proposed Bonds Issue and the Proposed Warrants Issue (the "**Previous Announcements**"). Capitalised terms used herein shall, unless otherwise defined, have the meanings ascribed to them in the Previous Announcements.

1.2 In connection with the Proposed Transactions, the Company has on 4 October 2017 entered into separate deeds of amendment and restatement with each of Oversea-Chinese Banking Corporation Limited ("**OCBC**"), TAEL One Partners Ltd (acting in its capacity as General Partner of The Asian Entrepreneur Legacy One, L.P.) ("**TAEL**"), Pacific One Energy Limited ("**POEL**") and Ms Hedy Wiluan ("**HW**") (collectively, the "**Lenders**", each a "**Lender**") to further amend the terms and conditions of the Bond Purchase Agreements, the Bond Repurchase Agreements and the Warrant Subscription Agreements (the "**Second Amendment Deeds**").

2. AMENDMENT TO THE CLOSING DATE OF THE PROPOSED TRANSACTIONS

2.1 Pursuant to the Second Amendment Deeds, the Company and the Lenders have agreed that the Proposed Transactions shall be completed no later than 21 December 2017 (the "**Revised Closing Date**"). Accordingly, each of the Lenders has also agreed to waive the accrued interest and redemption premium under the Existing Convertible Bonds up the Revised Closing Date.

2.2 Except to the extent expressly amended, modified or supplemented by the Second Amendment Deeds, the terms and conditions of the Bond Purchase Agreements, the Bond Repurchase Agreements and the Warrant Subscription Agreements shall continue to apply *mutatis mutandis* and shall remain in full force and effect.

3. AMENDMENT TO THE CONTINGENT DEFERRED AMOUNT OF THE BACK-END PAYMENT

3.1 In connection with the Revised Closing Date, OCBC and the Company have on 4 October 2017 entered into a supplemental letter agreement, pursuant to which it was agreed that the Contingent Deferred Amount under the terms of the Back-End Payment shall be equivalent to the accrued coupon payments and redemption premium owing to OCBC under the Existing Convertible Bonds up to the Revised Closing Date.

For illustrative purposes only, in the event that the Revised Closing Date is on 21 December 2017, the Contingent Deferred Amount shall be S$10,485,000.00.

3.2 Save for the above, the terms and conditions of the Back-End Payment shall continue to apply *mutatis mutandis* and shall remain in full force and effect.

4. RATIONALE FOR THE ENTRY INTO THE AMENDMENT DEEDS

Pursuant to the terms of the Bond Purchase Agreements and the Warrant Subscription Agreements, the Proposed Transactions are conditional upon Shareholders' approval being obtained at an extraordinary general meeting to be convened (the "**EGM**"). Accordingly, in order to provide additional time for the Company to convene the EGM and to satisfy the conditions precedent of the Proposed Transactions, the Company and the Lenders have agreed to enter into the Amendment Deeds to extend the Revised Closing Date to 21 December 2017.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed herein, none of the Directors or controlling Shareholders have any interests, direct or indirect, in the Proposed Transactions and in the Second Amendment Deeds, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

6. DESPATCH OF SHAREHOLDER CIRCULAR

The Company will in due course despatch the Circular containing information relating to the Proposed Transactions, in order to seek approval for the same at the EGM.

7. FURTHER ANNOUNCEMENTS

Further announcements on the Proposed Transactions will be made in due course as and when appropriate.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Second Amendment Deeds, the Amendment Deeds, Bond Purchase Agreements, the Warrant Subscription Agreements and the Bond Repurchase Agreements are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 19 Jurong Port Road, Singapore 619093 for a period of three (3) months from the date of this announcement.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have been delegated detailed supervision of the Proposed Transactions) have individually and collectively reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that no material facts have been omitted from this announcement which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly. Where any information contained in this announcement has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

10. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully.

Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
KS ENERGY LIMITED

Lai Kuan Loong Victor
Company Secretary
4 October 2017

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