

NEWS RELEASE

KS ENERGY VOLUNTEERS TO PUT IN PLACE MEASURES TO ALLOW OCBC TO FULLY MONITOR AND SUPERVISE BUSINESS OPERATIONS

- *Rigs pledged to OCBC are in no jeopardy from other parties*
- *Group faces unprecedented challenges from oil price collapse and Covid-19*
- *Management willing to allow OCBC to fully monitor and supervise business*

SINGAPORE, 28 August 2020 – KS Energy Limited said today it has proposed to OCBC various measures to allow the bank to fully monitor and supervise all its business operations. These measures would give OCBC all the transparency, control and protection it requests without having the adverse effects on the pledged assets that a judicial management scheme brings.

The rigs pledged to OCBC are in no jeopardy from other parties. There is no risk of dissipation or deterioration of assets, the SGX-listed investment holding company added.

OCBC filed applications in the High Court to appoint Messrs Andrew Grimmett and Lim Loo Khoo of Deloitte & Touche as interim judicial managers. The move followed letters of demand from the bank to KS Energy, KS Drilling and six other subsidiaries for a US\$230.7 million term loan and S\$5 million bridging loan to KS Drilling. The latter is an 80.09%-owned subsidiary of KS Energy, which has provided US\$150 million in guarantee for the term loan. Other subsidiaries' guarantees are much less.

KS Energy Group Chairman and CEO Richard Wiluan said: "We are fully committed to working with OCBC to resolve their concerns in a manner that will maximise the interests of all creditors and the company.

"Like all our peers in the industry, the KS Energy group is facing unprecedented challenges brought about by the collapse of oil price, exacerbated by massive disruptions to the global supply chain from the Covid-19 pandemic.

"OCBC has been our banker for more than 20 years. They have seen how we've built up our oil rig business. As we deal with the challenges in the last two years, we have taken initiatives including cost-cutting measures, to improve the company's financial position resulting in a 72% reduction in loss for the first six months ended 30 June 2020 as compared to the previous corresponding period."

KS Energy was until recently helmed by Mr Kris Wiluan who came to Singapore in 1977, opening a two-staff office to support his equipment export and service business in Batam for the oil and gas industry.

Over four decades, his business grew rapidly into a conglomerate that had interests in logistics, oil and gas, industrial development, tourism and digital media, and with presence in the Middle East, Africa, Europe and Asia. His 540-hectare Industrial Estate in Batam provides essential land and support services for large-scale fabrication projects by Singapore companies. At its peak, KS Energy had a market capitalisation of just under S\$1 billion and employed some 1,000 Singaporeans.

Mr Kris Wiluan, who stepped down recently as Group Chairman and CEO, is facing charges for false trading and market rigging for share purchases made between 2014 and 2016. The company said these were Mr Wiluan's personal share purchases and are separate from the group's current financial problems, which are felt across the industry and global economy.

With regards these share purchases, Mr Kris Wiluan said: "My purchases of KS Energy shares were conducted with utmost transparency as the shares were undervalued, my intention was to help smaller public shareholders who had acquired KS Energy shares with their personal savings. I have not sold those purchase shares and I have not profited in any way from these transactions. All my share purchases in KS Energy were disclosed at the time of the transactions and publicly announced to SGX. I have never intended to create any false trading or market rigging transactions. I am deeply saddened by these charges."

- The End -

About KS Energy

KS Energy is an investment holding company headquartered in Singapore and listed on the Main Board of SGX-ST, part of the Singapore Exchange. The core activities of the Group are capital equipment charter, drilling and rig management services and specialised engineering and fabrication. The Group's principal operating segment is held under its 80.09% owned subsidiary, KS Drilling, an international drilling company that specialises in shallow water and onshore drilling. The Group's focus is to create value for customers in the global energy industry, including renewable energy.

The Group's other operating segment is held under wholly-owned subsidiary KS Energy Engineering Services Pte Ltd, which customises engineering and fabrication services to a wide range of companies in the oil and gas industry with customers spanning from the Americas to Asia, through its subsidiary GlobalTech Systems Engineering Pte Ltd.

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