KS ENERGY LIMITED
An Integrated Energy Services Hub

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

ENTRY INTO AMENDMENT DEEDS IN RELATION TO ACCRUED INTEREST AND REDEMPTION PREMIUM UNDER THE EXISTING CONVERTIBLE BONDS

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 announcement dated 26 May 2017 in relation to the Proposed Bonds Issue and the Proposed Warrants Issue (the "**Previous Announcement**"). Capitalised terms used herein shall, unless otherwise defined, have the meanings ascribed to them in the Previous Announcement.

1.2 In connection with the Proposed Transactions, the Company has on 1 August 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 amend the terms and conditions of the Bond Purchase Agreement, the Bond Repurchase Agreements and the Warrant Subscription Agreements (the "**Amendment Deeds**"). The salient terms of the Amendment Deeds are as follows:

(a) the Company and the Lenders have agreed to extend the proposed Closing Date of the Proposed Transactions from 21 June 2017 to 21 September 2017 (the "**Revised Closing Date**"); and

(b) each of the Lenders has also agreed to waive the payment of the accrued interest and redemption premium under the Existing Convertible Bonds that are held by each of them respectively.

1.3 As the aggregate consideration under the Proposed Bonds Issue shall be satisfied by the Proposed Bonds Repurchase, the aggregate principal amount of Bonds that shall be issued to each of OCBC, POEL, HW and TAEL shall be reduced to take into account the waiver of the accrued interest and redemption premium under the Existing Convertible Bonds by each of the Lenders. The aggregate principal amount of Bonds proposed to be issued to each of the Lenders shall therefore be equal to the aggregate principal amounts of Existing Convertible Bonds that are held by each of the Lenders. Accordingly, the number of Warrants that are proposed to be issued to each of the Lenders shall also be amended accordingly. Save as disclosed above, all other terms and conditions of the Bonds and Warrants shall remain unchanged.

1.4 Based on the foregoing, the Company will issue an aggregate S$65.5 million Bonds and an aggregate 65,500,000 Warrants to the Lenders. The revised aggregate principal amount of Bonds and Warrants that shall be issued to each of the Lenders are as follows:

Name of Lender	Principal Amount of Bonds (S$)	Number of Warrants
OCBC	30.0 million	30,000,000

TAEL	7.5 million	7,500,000
POEL	18.5 million	18,500,000
HW	9.5 million	9,500,000

2. RATIONALE FOR THE ENTRY INTO THE AMENDMENT DEEDS

2.1 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 amend the original Closing Date of 21 June 2017 to the Revised Closing Date of 21 September 2017.

2.2 In addition, each of the Lenders has also agreed to waive the payment of the accrued interest under the Existing Convertible Bonds held by each of the Lenders respectively. As a condition for the issuance of the Bonds to the Lenders, the Existing Convertible Bonds held by the Lenders shall be purchased by the Company for cancellation at a price of 100.0 per cent. of the principal amount of the Existing Convertible Bonds pursuant to the Proposed Bonds Repurchase.

2.3 Each of the Lenders had agreed to waive the payment of the accrued interest under the Existing Convertible Bonds after commercial discussions with the Company and taking into account the Company's financial condition as well as the challenging environment for the oil and gas industry. By reducing the aggregate principal amount of Bonds and Warrants to be issued to the Lenders, the Company's net asset position on its balance sheet would improve and future interest costs reduced. This would improve the Company's sustainability due to a healthier balance sheet and improve the confidence of the Company's customers, suppliers, employees and other stakeholders.

2.4 Further to commercial discussions between OCBC and the Company, OCBC and the Company entered into an agreement dated 1 August 2017 pursuant to which it was agreed, *inter alia*, that in consideration of OCBC agreeing to defer the accrued coupon payments and redemption premium owing to it under the Existing Convertible Bonds of an aggregate amount of S$9,630,000 (the "**Contingent Deferred Amount**"), the Company agrees that subject to (a) the Company first selling or disposing its equity interest in KS Distribution Pte. Ltd. ("**KS Distribution**")(the "**Sale**") during the period from the Revised Closing Date to the Maturity Date or the Extended Maturity Date (as the case may be) or such extended date as agreed in writing between the Company and OCBC and (b) the Company having excess cash available arising from the proceeds of the Sale, after setting aside funds to settle, or settling any and all of its obligations under the Bonds and any other liabilities due and owing by the Company provided that such liabilities exist at the time of such Sale and are due and payable during the period between the time of such Sale and the following 12 months thereafter) (the "**Excess Cash**"), the Company shall utilise the Excess Cash to pay to OCBC up to the Contingent Deferred Amount as a back-end payment (the "**Back-End Payment**").

The Company and OCBC further agreed that on the earlier of: (i) the last Back-End Payment to OCBC (such that the aggregate Back-End Payments are equivalent to the Contingent Deferred Amount); or (ii) the Maturity Date, the Extended Maturity Date (as the case may be) or such extended date as agreed in writing between the Company and OCBC, OCBC shall waive and have no further right(s), claim(s) or cause(s) of action (whether actual or contingent

and whether past, present or future, incurred or owing) against the Company under or in connection with the Contingent Deferred Amount.

3. THE PROPOSED BONDS ISSUE

3.1 Principal Terms of the Proposed Bonds Issue

Pursuant to the Amendment Deeds, the principal terms and conditions of the Bonds are summarised as follows:

Issue Size	:	S$65.5 million in principal amount of the Bonds
Issue Price	:	100.0 per cent. of the principal amount of the Bonds
Settlement	:	Subject to fulfilment of the conditions of the Bond Purchase Agreements, settlement for the Bonds is expected to take place on the Revised Closing Date or such other date as may be agreed between the Company and the Lenders
Interest	:	Assuming the Revised Closing Date of 21 September 2017, (a) from and including the Revised Closing Date to, but excluding 21 September 2018, 1.15 per cent. per annum of the principal amount outstanding of the Bonds; (b) from and including 21 September 2018 but excluding 21 September 2019, 2.0 per cent. per annum of the principal amount outstanding of the Bonds; (c) from and including 21 September 2019 to but excluding 21 September 2020, the Maturity Date, 3.0 per cent. per annum of the principal amount outstanding of the Bonds; and (d) subject to the exercise of the Extension Right, from and including the Maturity Date to but excluding the Extended Maturity Date, 4.0 per cent. per annum of the principal amount outstanding of the Bonds.
Yield-to-Maturity	:	Approximately 8.0 per cent. per annum calculated on an annual compounding basis
Maturity Date	:	On or about 21 September 2020 (Three (3) years from the Revised Closing Date) (the "**Maturity Date**")
Extended Maturity Date	:	Each holder of the Bond (the "**Bondholder**") shall have the right (but not obligation) to direct the Company to extend the maturity date of the Bonds held by the

		Bondholder for an additional year from the Maturity Date, such date being on or about 21 September 2021 (Four (4) years from the Revised Closing Date) (the "**Extended Maturity Date**") (the "**Extension Right**")
Final Redemption	:	Unless previously redeemed or purchased and cancelled as provided herein, the Issuer will redeem the Bonds at 119.82 per cent. of its principal amount together with unpaid accrued interest thereon on the Maturity Date or at 125.90 per cent. of its principal amount together with unpaid accrued interest thereon on the Extended Maturity Date (as applicable).
Status of the Bonds	:	The Bonds shall constitute direct, unsubordinated, unconditional and secured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves.
Redemption at the Option of the Bondholder		Bondholders shall have the option to redeem all or some only of the outstanding Bonds at the Early Redemption Amount plus accrued and unpaid interest, in the following events: (a) if there is a change of control of the Company; or (b) if the Shares are de-listed from the SGX-ST or suspended from trading for a period exceeding 30 market days.
Redemption at the Option of the Company	:	The Company shall have the option to redeem the outstanding Bonds, in whole but not in part, at the Early Redemption Amount plus accrued and unpaid interest, if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued. The Company will give at least 30 days' but not more than 60 days' prior notice to the holders for such redemption to the Bondholders (which notice will be irrevocable).
Early Redemption Amount	:	For each S$50,000 in principal amount of the Bonds purchased at the issue price on the date of issue, the early redemption amount shall be determined in accordance with the following formula: **Early Redemption Amount** = S$50,000 X (1 + r)^ (d/p) – AI r = 8.00 per cent., expressed as a fraction d = number of days from and including the Revised Closing Date to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year

consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed

p = 360

AI = the accrued interest plus the cumulative interest paid on a Bond determined in accordance with the terms and conditions of the Bonds

Mandatory Prepayments : Upon an Asset Sale, the Company shall use all of the proceeds of such Asset Sale, save that the Company may retain such amounts of proceeds for 12 months based on the Company's normalised working capital requirements for the preceding financial year, to redeem on the date of interest payment immediately following the date of the completion of such sale, the Bonds at the Early Redemption Amount of such Bonds, together with interest accrued up to the date fixed for such redemption, provided that the Company need not make such redemption unless the proceeds of such Asset Sale (when aggregated with any other proceeds of any prior Asset Sales that were not used to redeem the Bonds) exceeds S$5 million (or its equivalent in foreign currencies).

"**Asset Sale**" means any sale (including any sale or issuance of shares), transfer or other disposition (including by way of merger, consolidation, sale and repurchase transaction, or sale and leaseback transaction) by the Company, in one transaction or a series of related or unrelated transactions and whether at one time or over a period of time, of any part of its property or assets; provided that "**Asset Sale**" will not include:

(a) sales, transfers or other dispositions of inventory, receivables and other current assets in the ordinary course of business on an arm's length basis and on normal commercial terms;

(b) any sale, transfer, assignment or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its subsidiaries;

(c) any sale, transfer, assignment or other disposition to the Company or its subsidiaries made in connection with the consolidation, amalgamation or merger of the Company; and

(d) any sale, transfer, assignment or other disposition approved by Bondholders by way of an extraordinary resolution.

Governing Law	:	Laws of the Republic of Singapore

3.2 Rule 829(3) of the Listing Manual

As disclosed in the Previous Announcement, pursuant to Rule 829(3) of the Listing Manual, any material alteration to the terms of the Existing Convertible Bonds after issue to the advantage of the holders of the Existing Convertible Bonds shall be approved by the Shareholders. As the consideration under the Proposed Bonds Issue shall be satisfied by the Proposed Bonds Repurchase, the Proposed Bonds Issue shall be deemed as an alteration of the terms of the Existing Convertible Bonds. In connection therewith, the Company proposes to seek the approval of the Shareholders for the Proposed Bonds Issue at the EGM.

4. THE PROPOSED WARRANTS ISSUE

4.1 Principal Terms of the Proposed Warrants Issue

Pursuant to the Amendment Deeds, the principal terms and conditions of the Warrants, to be constituted by the warrant instrument to be executed by the Company (the "**Warrant Instrument**"), are summarised as follows:

Number of Warrants	:	65,500,000 non-listed Warrants
Issue Price	:	The Warrants will be issued free to the Lenders on the Revised Closing Date.
Exercise Price	:	S$0.045 in respect of each Warrant, being a 5.0 per cent. premium to the volume weighted average price of the Shares traded on the SGX-ST for the last 20 days immediately prior to 26 May 2017, being the date of signing of the Warrant Subscription Agreements, subject to adjustment in accordance with the terms and conditions of the Warrants (the "**Exercise Price**").
Exercise Period	:	The period commencing on and including the market day immediately after the Revised Closing Date and expiring at 5.00 p.m. (Singapore time) on the third (3rd) anniversary of the Revised Closing Date (the "**Expiration Date**") or such later expiration date as may be determined in accordance with the terms and conditions of the Warrants (the "**Exercise Period**"). If the maturity date of any Bonds is extended by any Lender in its capacity of holder of such Bonds in accordance with the terms and conditions of the Bonds, the original Expiration Date of the Warrants held by such Lender shall automatically be extended by the same number of days. For the avoidance of doubt, any extension of the Expiration Date of the Warrants shall be effective to extend the Expiration Date of only the Warrants held by such Lender and not the Warrants held by any other Lenders.

Exercise Rights	:	Each Warrant entitles the holder of the Warrant (the "**Warrantholder**") to subscribe for one (1) Warrant Share at the Exercise Price on any business day during the Exercise Period. The minimum number of Warrants which may be exercised at any one time is one (1) million Warrants (subject to any proportionate adjustments under the terms and conditions of the Warrants) (the "**Minimum Exercise Amount**"), provided that any excess number of Warrants to be exercised over and above the Minimum Exercise Amount at such time may be undertaken incrementally in board lots of the Minimum Exercise Amount or integral multiples thereof.
Status of New Shares	:	The Warrant Shares will, upon issue and allotment, rank *pari passu* in all respects with the then existing Shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions where the record date is before the date of issue and allotment of the Warrant Shares.
Transfer	:	A Warrant may at any time be transferred, charged, assigned, pledged or otherwise disposed by the Warrantholder to any person in its sole discretion provided that it has first given prior written notice to the Company.
Adjustments	:	The Exercise Price and the number of Warrants to be held by the Warrantholders are subject to adjustments under certain circumstances provided for in the terms and conditions of the Warrants as contained in the Warrant Certificate. Such circumstances include consolidation, subdivision, reclassification or conversion of the Shares, capitalisation issues, rights issues and certain capital distributions.
Notice of Expiration	:	The Company shall, not later than one (1) month before the Expiration Date, announce the Expiration Date on the SGXNET and take reasonable steps to notify the Lenders in writing of the Expiration Date and such notice shall be delivered by post to the addresses of the Warrantholders.
Alteration to Terms	:	No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warrantholders shall be made, unless the alterations are made pursuant to the terms and conditions of the Warrants or the prior approval of the Shareholders in general meeting has been sought.
Winding Up	:	In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up by the Company and:

(a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholder shall be a party, the terms of such scheme of arrangement shall be binding on the Warrantholder; and

(b) in any other case, the Company shall, on the same date it despatches such notice to each member of the Company, give notice thereof to the Warrantholder in accordance with the terms and conditions of the Warrants, and thereupon the Warrantholder shall be entitled, upon and subject to the terms and conditions of the Warrants, at any time within the notice period of the general meeting of members to consider a winding up of the Company but in any event not later than 10 business days prior to the proposed general meeting, to elect to exercise the Warrants whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Warrant Shares to the Warrantholder credited as fully paid and the Company shall thereafter immediately give notice to the Warrantholder of such allotment in accordance with the terms and conditions of the Warrants.

Subject to the foregoing, if the Company is wound-up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Governing Law : Laws of the Republic of Singapore

4.2 Exercise Price

As disclosed in the Previous Announcement, the Exercise Price of S$0.045 represents a premium of approximately 5.0 per cent. to the volume weighted average price of S$0.043 for trades done on the SGX-ST for the last 20 market days immediately prior to 26 May 2017, being the date of signing of the Warrant Subscription Agreements. The Exercise Price was determined and agreed based on (a) arm's length negotiations between the Lenders and the Company; and (b) commercial considerations made by the Company light of prevailing economic and industry conditions.

4.3 Shares to be issued pursuant to the exercise of the Warrants

As at the date of this announcement, the Company has an issued share capital of 515,601,215 Shares (excluding 8,639,000 treasury shares). The maximum number of new Shares to be issued and allotted by the Company upon the exercise of the Warrants is

65,500,000 Shares (the "**Warrant Shares**"), representing approximately 12.70 per cent. of the existing issued share capital of the Company as at the date of this announcement, and representing approximately 11.27 per cent. of the enlarged issued share capital of the Company on a diluted basis.

The Company will be seeking specific approval from the Shareholders at the EGM to be convened to approve the issue and allotment of the Warrants and the Warrant Shares, for the purposes of Rules 805 and 824 of the Listing Manual.

The Warrant Shares will be issued free from all encumbrances and will rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares of the Company, except that they will not rank for any dividends, rights, allotments or other distributions, accruing on a record date for determining such entitlements, which shall be the date which falls on or before the date of issue of the Warrant Shares.

4.4 Adjustment and Modification

In compliance with Rules 829 and 830 of the Listing Manual, the Company will:

(a) announce any adjustment made pursuant to the exercise price pursuant to Rule 829(1) of the Listing Manual;

(b) announce the expiry of the Warrants and a notice of the expiry will be sent to the holders of the Warrants at least one month before the expiry date; and

(c) obtain Shareholders' approval at a general meeting of the Shareholders for any material modification to the terms of the Warrants which is for the benefit of the holders of the Warrants, unless such modification is made pursuant to the terms of the Warrants.

4.5 Use of Proceeds

Assuming that all the 65,500,000 Warrants are exercised in full at the Exercise Price of S$0.045 per Warrant Share, the Proposed Warrants Issue will raise approximately S$2.95 million and the net proceeds of the Proposed Warrants Issue, after deducting estimated expenses of approximately S$0.02 million, will amount to approximately S$2.93 million. The Company expects to utilise the net proceeds from the Proposed Warrants Issue in the following manner:

(a) approximately 50.0 per cent. to be used for funding debt repayments; and

(b) approximately 50.0 per cent. to be used for operating overheads.

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

Shareholders should note that there is no guarantee that the Company will obtain the maximum gross proceeds of approximately S$2.95 million as each Lender has the right, but not the obligation, to exercise their respective Warrants upon the terms and subject to the conditions set out in the terms and conditions of the Instrument.

In the event the Warrants are exercised by the Lenders, the Company shall announce the use of the proceeds as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage disclosed in this announcement, and where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation. In the event the Warrants are exercised by the Lenders, the Company shall provide a status report on the use of proceeds in its annual report.

4.6 Directors' Opinion

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, internal resources, operating cash flow and the net proceeds of the Proposed Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

4.7 Dilutive Effect

The issue and allotment of the Warrant Shares upon the exercise of the Warrants will have a dilutive effect on Shareholders as described in paragraph 9 of this announcement.

4.8 Rules 804 and 812 of the Listing Manual

As POEL is a substantial shareholder that holds 308,281,662 Shares, representing 59.79 per cent. of the total Shares, POEL is a restricted placee pursuant to Rule 812(1) of the Listing Manual. In addition, Mr Kris Taenar Wiluan and Mr Richard James Wiluan, being Directors of the Company, hold more than 10.0 per cent. of the equity interests in POEL.

As HW is an immediate family member of Mr Kris Taenar Wiluan, the Executive Chairman, CEO and a controlling shareholder of the Company, HW is a restricted placee pursuant to Rule 812(1) of the Listing Manual.

Pursuant to Rule 812(2) of the Listing Manual, Rule 812(1) of the Listing Manual will not apply if specific Shareholders' approvals for the issue of 18,500,000 Warrants to POEL and 9,500,000 Warrants to HW are obtained.

4.9 Application for In-Principle Approval

In view of the Amendment Deeds, the Company will make a new application to the SGX-ST for the listing and quotation of the Warrant Shares on the Main Board of the SGX-ST.

5. THE PROPOSED ISSUE OF AN AGGREGATE S$18,500,000 BONDS AND 18,500,000 WARRANTS TO PACIFIC ONE ENERGY LIMITED AND THE PROPOSED ISSUE OF AN AGGREGATE S$9,500,000 BONDS AND 9,500,000 WARRANTS TO MS HEDY WILUAN AS INTERESTED PERSON TRANSACTIONS UNDER CHAPTER 9 OF THE LISTING MANUAL

5.1 The Proposed POEL Transactions

(a) **Compliance with Chapter 9 of the Listing Manual**

Mr. Kris Taenar Wiluan, the Executive Chairman and Chief Executive Officer of the Company, directly owns 43.05 per cent. of the equity interests of POEL and Rija

Holdings Limited owns 56.95 per cent. of the equity interests of POEL. Rija Holdings Limited is a company controlled by Mr. Kris Taenar Wiluan and Mr. Richard James Wiluan, an Executive Director of the Company and son of Mr Kris Taenar Wiluan. As at the date of this announcement, by virtue of Section 4 of the SFA, they are deemed interested in 59.79 per cent. of the issued and paid-up share capital of the Company and for the purposes of Chapter 9 of the Listing Manual are considered controlling shareholders. As Mr Kris Taenar Wiluan directly holds more than 30.0 per cent. interest in POEL, POEL is an Associate of both Mr Kris Taenar Wiluan and Mr Richard James Wiluan.

Accordingly, each of POEL, Rija Holdings Limited, Mr Kris Taenar Wiluan and Mr Richard James Wiluan are regarded as an "interested person" within the meaning of Chapter 9 of the Listing Manual. The Company is regarded as an "entity at risk" within the meaning of Chapter 9 of the Listing Manual.

Based on the foregoing,

(i) the issue of an aggregate S$18.5 million principal amount of Bonds by the Company to POEL pursuant to the Proposed Bonds Issue; and

(ii) the issue of 18,500,000 Warrants by the Company to POEL pursuant to the Proposed Warrants Issue,

(collectively, the "**Proposed POEL Transactions**"),

would each constitute an "interested person transaction" within the meaning of Chapter 9 of the Listing Manual.

(b) **Materiality Thresholds under Chapter 9 of the Listing Manual**

In accordance with Rule 906(1)(a) and Rule 918 of Chapter 9 of the Listing Manual, where the value of an interested person transaction, or when aggregated with other transactions entered into during the same financial year, is equal or exceeds 5.0 per cent. of the Group's latest audited net tangible assets ("**Group NTA**"), the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

With respect to the Proposed POEL Transactions, the amount at risk to the Company is a combination of:

(i) the aggregate interest rate payable (including the redemption premium) on the $18.5 million in aggregate principal amount of Bonds issued to POEL from the Issue Date up to the Extended Maturity Date, being S$6.7 million;

(ii) the value of the Share Charge granted under the Proposed Security Arrangement, being S$34.5 million; and

(iii) the aggregate amount payable upon exercise of the Warrants issued to POEL at the Exercise Price, being S$0.8 million.

Based on the foregoing, the amount at risk amounts to approximately S$42.0 million representing approximately 48.4 per cent. of the Group NTA of S$86.7 million as at 31 December 2016. Accordingly, as the amount at risk is more than 5.0 per cent. of the Group NTA, Shareholder's approval is required for the Proposed POEL Transactions.

(c) **Rationale and Benefits of the Proposed POEL Transactions**

Please refer to paragraph 8 of the Previous Announcement for the rationale and benefits of the Proposed POEL Transactions.

5.2 The Proposed HW Transactions

(a) **Compliance with Chapter 9 of the Listing Manual**

HW is the sister of Mr Kris Taenar Wiluan. As Mr Kris Taenar Wiluan is the Executive Chairman, CEO and a Controlling Shareholder of the Company, HW is an Associate of Mr Kris Taenar Wiluan. Accordingly, HW is regarded as an "interested person" within the meaning of Chapter 9 of the Listing Manual. The Company is regarded as an "entity at risk" within the meaning of Chapter 9 of the Listing Manual.

Based on the foregoing,

(i) the issue of an aggregate S$9.5 million principal amount of Bonds by the Company to HW pursuant to the Proposed Bonds Issue; and

(ii) the issue of 9,500,000 Warrants by the Company to HW pursuant to the Proposed Warrants Issue,

(collectively, the "**Proposed HW Transactions**"),

would each constitute an "interested person transaction" within the meaning of Chapter 9 of the Listing Manual.

(b) **Materiality Thresholds under Chapter 9 of the Listing Manual**

With respect to the Proposed HW Transactions, the amount at risk to the Company is a combination of:

(i) the aggregate interest rate payable (including redemption premium) on the S$9.5 million in aggregate principal amount of Bonds issued to HW from the Issue Date up to the Extended Maturity Date, being S$3.4 million;

(ii) the value of the Share Charge granted under the Proposed Security Arrangement, being S$17.7 million; and

(iii) the aggregate amount payable upon exercise of the Warrants issued to HW at the Exercise Price, being S$0.4 million.

Based on the foregoing, the amount at risk amounts to approximately S$21.5 million representing approximately 24.8 per cent. of the latest audited consolidated NTA of the Group of S$86.7 million as at 31 December 2016. Accordingly, as the amount at

risk is more than 5.0 per cent. of the Group NTA, Shareholder's approval is required for the Proposed HW Transactions.

(c) **Rationale and Benefits of the Proposed HW Transactions**

Please refer to paragraph 8 of the Previous Announcement for the rationale and benefits of the Proposed HW Transactions.

5.3 Current and On-going Interested Person Transactions

Name of Interested Person	**Particulars of Interested Person Transactions**	**Aggregate value of all IPTs for the current financial year up to the date of this announcement (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	**Aggregate value of all IPTs conducted under shareholders' mandates pursuant to Rule 920 for the current financial year up to the date of this announcement (excluding transactions less than $100,000)**
PT Dwi Sumber Arca Waja ("**DSAW**"), its subsidiaries and its associates ("**DSAW Group**")[1]	Provision of goods and services to and from the DSAW Group	-	-[3]
PT KS Drilling Indonesia ("**JVC**") and its subsidiaries ("**JVC Group**")[2]	Expected interest income on the Additional Loan[5]	SGD 1,168,594	-
	Expected interest income on Financing loan		SGD 3,562,016[4]
	Injection of shareholders' loans pursuant to the Financing provided by KS Drilling Pte. Ltd. to JVC Group[6]	-	SGD 302,259[4]
POEL	Interest payable on Existing Loans	SGD 266,866	-

Notes:

(1) As at the date of this announcement, PT Citra Agramasiniti Nusantara ("**CAIN**") holds 48.98 per cent. of the issued and paid-up share capital of DSAW. CAIN is a company established in Indonesia and is also a direct shareholder of 5.36 per cent. of the issued and paid-up share capital of PT Citra Tubindo Engineering. PT Citra Tubindo Engineering is a subsidiary of DSAW with DSAW holding 94.64 per cent. of its issued and paid-up

share capital. CAIN and Mr Kris Taenar Wiluan also hold 95.0 per cent. and 5.0 per cent., respectively, of the issued and paid-up share capital of PT Unimas Motor Wasta ("**UMW**") and UMW in turn holds 0.33 per cent. of the issued and paid-up share capital of DSAW. As at the date of this announcement:

(a) Mr Kris Taenar Wiluan and HW are shareholders of CAIN and they hold 70.0 per cent. and 30.0 per cent. of the issued and paid-up share capital of CAIN, respectively. Mr Kris Taenar Wiluan and HW are the President Commissioner and Commissioner of CAIN, respectively.

(b) Pursuant to Section 7 of the Companies Act and through his interest in CAIN, Mr Kris Taenar Wiluan is deemed interested in 93.54 per cent. of the issued and paid-up share capital of DSAW. HW is similarly deemed interested in 93.54 per cent. of the issued and paid-up share capital of DSAW. The remaining 6.46 per cent. of the issued and paid-up share capital of DSAW is held by unrelated third parties.

As at the date of this announcement, Mr Kris Taenar Wiluan (together with his Associate, HW) is, in aggregate, interested in 93.54 per cent. of the issued and paid-up share capital of DSAW. DSAW is thus an associate of Mr Kris Taenar Wiluan and HW, and an interested person of the Company.

(2) As at the date of this announcement, JVC is 51.0 per cent. owned by CAIN and 49.0 per cent. owned by KS Drilling Pte. Ltd.. For the reasons set out above, Mr Kris Taenar Wiluan (together with his Associate, HW) is, in aggregate, interested in 51.0 per cent. of the issued and paid-up share capital of JVC. JVC is thus an associate of Mr Kris Taenar Wiluan and HW, and an interested person of the Company.

(3) At an extraordinary general of the Company held on 26 April 2012, the independent Shareholders granted approval for certain interested person transactions, to be entered into between the Company, its subsidiaries and Associated Companies or any of them, and the DSAW Group, pursuant to Chapter 9 of the Listing Manual (the "**DSAW IPT Mandate**"). The DSAW IPT Mandate was subsequently renewed at the annual general meetings held on 30 April 2013, 29 April 2014, 29 April 2015, 29 April 2016 and 27 April 2017.

(4) At an extraordinary general of the Company held on 7 December 2012, the independent Shareholders granted approval for certain interested person transactions, to be entered into between the Company, its subsidiaries and Associated Companies or any of them, and the JVC Group, pursuant to Chapter 9 of the Listing Manual (the "**JVC IPT Mandate**"). The JVC IPT Mandate was subsequently renewed at the annual general meetings held on 30 April 2013, 29 April 2014, 29 April 2015, 29 April 2016 and 27 April 2017.

(5) On 22 January 2016, PT Java Star Rig ("**PT JSR**", a subsidiary of PT KS Drilling Indonesia) was notified that its appeal had been rejected, and the Ministry of Finance of the Republic of Indonesia – Directorate General Customs and Excise commenced the process to call upon the Customs Bond. The Insurer paid the amount due under the Customs Bond, and subsequently called on the Guarantee. The funds were disbursed pursuant to the Guarantee on 4 February 2016. As a result, a debt arose between KS Drilling as creditor and PT JSR as debtor (the "**Additional Loan**"). The Additional Loan has been charged to PT JSR at an interest rate of 7.0 per cent. per annum (please refer to the announcement dated 1 March 2016 for more details) and the principal amount outstanding as at the date of this announcement was US$14.2 million.

(6) With reference to the JVC IPT Mandate, the Group provided funding for the purchase of Rigs and Equipment which has been provided by way of shareholder guarantees and shareholder loans (the "**Financing**") to JVC Group. The shareholder loans provided under such Financing by KS Drilling Pte. Ltd., an 80.09 per cent. subsidiary of the Company, to PT JSR, accrue interest at a rate of 7 per cent. per year and the principal amount outstanding as at Last Practical Date was US$37.7 million which has been used to finance the acquisition of the jack-up rig named "KS Java Star" and additional equipment required by the rig. Included in the US$37.7 million balance is US$0.3 million that has been advanced during the current financial year to the date of this announcement.

Save for the above, there are no present and ongoing interested person transactions entered into between the Group and each of HW, POEL, Rija Holdings Limited, Mr Kris Taenar Wiluan and Mr Richard James Wiluan for the current financial year up to the date of this announcement that need to be aggregated with the value of the transactions under the Proposed POEL Transactions and the Proposed HW Transactions pursuant to Rule 906 of the Listing Manual.

5.4 Total Value of Interested Person Transactions

(a) The total value of all interested person transactions entered into by the Company with POEL, including transactions which are less than S$100,000 and the Proposed POEL

Transactions, for the current financial year up to the date of this announcement is S$42.3 million, representing approximately 48.8 per cent. of the Group NTA.

(b) The total value of all interested person transactions entered into by the Company with HW, including transactions which are less than S$100,000 and the Proposed HW Transactions, for the current financial year up to the date of this announcement is S$21.6 million, representing approximately 24.9 per cent. of the Group NTA.

(c) The total value of all interested person transactions entered into by the Company, including transactions which are less than S$100,000, the Proposed POEL Transactions and the Proposed HW Transactions, for the current financial year up to the date of this announcement is S$69.0 million, representing approximately 79.6 per cent. of the Group NTA.

6. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT AND INDEPENDENT FINANCIAL ADVISER

The Audit and Risk Management Committee of the Company will form its view as to whether the Proposed POEL Transactions and the Proposed HW Transactions are on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders after considering the independent financial adviser's opinion to be obtained in due course. The Audit Committee's view on the Proposed POEL Transactions and the Proposed HW Transactions will be set out in the Circular.

Asian Corporate Advisors Pte. Ltd. has been appointed as the independent financial adviser to the independent Directors in connection with the Proposed POEL Transactions and the Proposed HW Transactions.

7. THE PROPOSED SECURITY ARRANGEMENT

7.1 As continuing security for the payment and discharge of the Company's obligations under the Bonds, the Company shall enter into the Proposed Security Arrangement, pursuant to which the Company shall, by way of a first ranking fixed charge in favour of the Security Trustee, charge its rights, title, interests, benefits and claims in its entire equity interest in KS Drilling Pte. Ltd (the "**Charged Assets**"), representing approximately 80.09 per cent. of the equity interest of KS Drilling Pte. Ltd..

7.2 As disclosed in the Previous Announcement, the foreclosure on all the Charged Assets by the Security Trustee under the Proposed Security Arrangement constitutes a "major transaction" within the meaning of Chapter 10 of the Listing Manual of the SGX-ST. Accordingly, the Company proposes to seek the approval of the Shareholders to give effect to the Proposed Security Arrangement.

8. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

8.1 Financial Effects of the Proposed Bonds Issue and the Proposed Warrants Issue

(a) **Bases and Assumption**

The *pro forma* financial effects of the Proposed Bonds Issue and the Proposed Warrants Issue are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the completion of the Proposed Bonds Issue and the Proposed Warrants Issue. These illustrative pro forma financial

effects have been computed based on the Group's latest audited consolidated financial results for FY2016 and do not take into account any transaction expenses incurred in connection with the Proposed Transactions.

(b) **Share Capital**

	Number of Shares (excluding treasury shares)
Before the Proposed Bonds Issue and the Proposed Warrants Issue[(1)]	515,601,215
After completion of the Proposed Bonds Issue and the Proposed Warrants Issue[(1)]	515,601,215
After completion of the Proposed Bonds Issue, the Proposed Warrants Issue and assuming full exercise of the Warrants by the Lenders[(2)]	581,101,215

Notes:

(1) Based on 515,601,215 Shares (excluding 8,639,000 treasury shares) in issue as at the date of this announcement.

(2) Based on 581,101,215 Shares in issue, assuming that 65,500,000 Warrants were exercised by the Lenders and 65,500,000 Warrant Shares were issued and allotted to the Lenders.

(c) **Earnings per Share**

Assuming that the Proposed Bonds Issue and the Proposed Warrants Issue had been completed on 1 January 2016, the effect of the Proposed Bonds Issue and the Proposed Warrants Issue on the Group's EPS for FY2016 will be as follows:

	EPS (cents)
Before the Proposed Bonds Issue and the Proposed Warrants Issue[(1)]	(20.85)
After completion of the Proposed Bonds Issue and the Proposed Warrants Issue[(1)]	(17.67)
After completion of the Proposed Bonds Issue, the Proposed Warrants Issue and assuming full exercise of the Warrants by the Lenders[(2)]	(15.67)

Notes:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement and assuming the capital reserve arising from the issue of the Warrants is S$0.3 million and the waiver of the accrued interest and redemption premium due on the Existing Convertible Bonds will generate a realised gain of S$15.8 million.

(2) Based on 581,101,215 Shares in issue, assuming that 65,500,000 Warrants were exercised by the Lenders and 65,500,000 Warrant Shares were issued and allotted to the Lenders.

(d) **Net Tangible Assets**

Assuming that the Proposed Bonds Issue and the Proposed Warrants Issue had been completed on 31 December 2016, the effect of the Proposed Bonds Issue and the Proposed Warrants Issue on the Group's NTA per Share as at 31 December 2016 will be as follows:

	Group (as at 31 December 2016)
As reported	
NTA (S$ 000'000)	86.7
NTA per Share (cents)[(1)]	16.8
After completion of the Proposed Bonds Issue and the Proposed Warrants Issue	
Adjusted NTA (S$'000'000)	102.9
Adjusted NTA per Share (cents)[(1)]	20.0
After completion of the Proposed Bonds Issue, the Proposed Warrants Issue and assuming full exercise of the Warrants by the Lenders	
Adjusted NTA (S$ 000'000)	105.9
Adjusted NTA per Share (cents)[(2)]	18.2

Notes:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement and assuming the capital reserve arising from the issue of the Warrants is S$0.3 million and the waiver of the accrued interest and redemption premium due on the Existing Convertible Bonds will generate a realised gain of S$15.8 million.

(2) Based on 581,101,215 Shares in issue, assuming that 65,500,000 Warrants were exercised by the Lenders and 65,500,000 Warrant Shares were issued and allotted to the Lenders.

8.2 Financial Effects of the Proposed POEL Transactions

(a) **Bases and Assumption**

The *pro forma* financial effects of the Proposed POEL Transactions are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the completion of the Proposed POEL Transactions. These illustrative *pro forma* financial effects have been computed based on the Group's latest audited consolidated financial results for FY2016 and on the assumption that the debts due from the Existing Convertible Bonds and Existing Loans held by POEL will be satisfied by the proceeds from the Proposed POEL Transactions. The illustrative financial effects do not take into account any transaction expenses incurred in connection with the Proposed POEL Transactions.

(b) **Share Capital**

	Number of Shares (excluding treasury shares)
Before the Proposed POEL Transactions[(1)]	515,601,215
After completion of the Proposed POEL Transactions[(1)]	515,601,215
After completion of the Proposed POEL Transactions and assuming full exercise of the Warrants by POEL[(2)]	534,101,215

Notes:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement.

(2) Based on 534,101,215 Shares in issue, assuming that 18,500,000 Warrants were exercised by POEL and 18,500,000 Warrant Shares were issued and allotted to POEL.

(c) **Earnings per Share**

	EPS (cents)
Before the Proposed POEL Transactions[(1)]	(20.85)
After completion of the Proposed POEL Transactions[(1)]	(20.68)
After completion of the Proposed POEL Transactions and assuming full exercise of the Warrants by POEL[(2)]	(19.96)

Notes:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement and assuming the capital reserve arising from the issue of the Warrants is S$0.1 million and the waiver of the accrued interest and redemption premium due on the Existing Convertible Bonds will generate a realised gain of S$1.8 million.

(2) Based on 534,101,215 Shares in issue, assuming that 18,500,000 Warrants were exercised by POEL and 18,500,000 Warrant Shares were issued and allotted to POEL.

(d) **Net Tangible Assets**

Assuming that the Proposed POEL Transactions had been completed on 31 December 2016, the effect of the Proposed POEL Transactions on the Group's NTA per Share as at 31 December 2016 will be as follows:

	Group (as at 31 December 2016)
As reported	
NTA (S$ 000'000)	86.7
NTA per Share (cents)[(1)]	16.8

After completion of the Proposed POEL Transactions	
Adjusted NTA (S$'000'000)	88.6
Adjusted NTA per Share (cents)[(1)]	17.2
After completion of the Proposed POEL Transactions and assuming full exercise of the Warrants by POEL	
Adjusted NTA (S$ 000'000)	89.4
Adjusted NTA per Share (cents)[(2)]	16.7

Notes:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement and assuming the capital reserve arising from the issue of the Warrants is S$0.1 million and the waiver of the accrued interest and redemption premium due on the Existing Convertible Bonds will generate a realised gain of S$1.8 million.

(2) Based on 534,101,215 Shares in issue, assuming that 18,500,000 Warrants were exercised by POEL and 18,500,000 Warrant Shares were issued and allotted to POEL.

8.3 Financial Effects of the Proposed HW Transactions

(a) Bases and Assumption

The *pro forma* financial effects of the Proposed HW Transactions are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the completion of the Proposed HW Transactions. These illustrative *pro forma* financial effects have been computed based on the Group's latest audited consolidated financial results for FY2016 and on the assumption that the debts due from the Existing Convertible Bonds held by HW will be satisfied by the proceeds from the Proposed HW Transactions. The illustrative financial effects do not take into account any transaction expenses incurred in connection with the Proposed HW Transactions.

(b) Share Capital

	Number of Shares (excluding treasury shares)
Before the Proposed HW Transactions[(1)]	515,601,215
After completion of the Proposed HW Transactions [(1)]	515,601,215
After completion of the Proposed HW Transactions and assuming full exercise of the Warrants by HW[(2)]	525,101,215

Notes:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement.

(2) Based on 525,101,215 Shares in issue, assuming that 9,500,000 Warrants were exercised by HW and 9,500,000 Warrant Shares were issued and allotted to HW.

(c) **Earnings per Share**

Assuming that the Proposed HW Transactions had been completed on 1 January 2016, the effect of the Proposed HW Transactions on the Group's EPS for FY2016 will be as follows:

	EPS (cents)
Before the Proposed HW Transactions[(1)]	(20.85)
After completion of the Proposed HW Transactions [(1)]	(20.20)
After completion of the Proposed HW Transactions and assuming full exercise of the Warrants by HW[(2)]	(19.83)

Notes:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement and assuming the capital reserve arising from the issue of the Warrants is S$0.05 million and the waiver of the accrued interest and redemption premium due on the Existing Convertible Bonds will generate a realised gain of S$3.0 million.

(2) Based on 525,101,215 Shares in issue, assuming that 9,500,000 Warrants were exercised by HW and 9,500,000 Warrant Shares were issued and allotted to HW.

(d) **Net Tangible Assets**

Assuming that the Proposed HW Transactions had been completed on 31 December 2016, the effect of the Proposed HW Transactions on the Group's NTA per Share as at 31 December 2016 will be as follows:

	Group (as at 31 December 2016)
As reported	
NTA (S$ 000'000)	86.7
NTA per Share (cents)[(1)]	16.8
After completion of the Proposed HW Transactions	
Adjusted NTA (S$'000'000)	89.8
Adjusted NTA per Share (cents)[(1)]	17.4
After completion of the Proposed HW Transactions and assuming full exercise of the Warrants by HW	
Adjusted NTA (S$ 000'000)	90.3
Adjusted NTA per Share (cents)[(2)]	17.2

Notes:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement and assuming the capital reserve arising from the issue of the Warrants is S$0.05 million and the waiver of the accrued interest and redemption premium due on the Existing Convertible Bonds will generate a realised gain of S$3.0 million.

(2) Based on 525,101,215 Shares in issue, assuming that 9,500,000 Warrants were exercised by HW and 9,500,000 Warrant Shares were issued and allotted to HW.

8.4 Financial Effects of the Proposed Security Arrangement

(a) Bases and Assumption

The *pro forma* financial effects of the Proposed Security Arrangement and in the event of a foreclosure on all the Charged Assets under the Proposed Security Arrangement are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the Proposed Security Arrangement and the foreclosure on the Charged Assets. These illustrative pro forma financial effects have been computed based on the Group's latest audited consolidated financial results for FY2016 and determined based on the assumption that the foreclosure of the Charged Assets satisfies the full repayment of the Bonds.

(b) Share Capital

	Number of Shares (excluding treasury shares)
Before the Proposed Security Arrangement[(1)]	515,601,215
After the Proposed Security Arrangement[(1)]	515,601,215
After the foreclosure on all the Charged Assets under the Proposed Security Arrangement[(1)]	515,601,215

Note:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement.

(c) Earnings per Share

Assuming that the Proposed Security Arrangement had been completed on 1 January 2016, the effect of the Proposed Security Arrangement on the Group's EPS for FY2016 will be as follows:

	EPS (cents)
Before the Proposed Security Arrangement[(1)]	(17.67)
After completion of the Proposed Security Arrangement[(1)]	(17.67)
After the foreclosure on all the Charged Assets under the Proposed Security Arrangement[(1)]	(2.53)

Note:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement.

(d) **Net Tangible Assets**

Assuming that the Proposed Security Arrangement had been completed on 31 December 2016, the effect of the Proposed Security Arrangement on the Group's NTA per Share as at 31 December 2016 will be as follows:

	Group (as at 31 December 2016)
As reported	
NTA (S$ 000'000)	86.7
NTA per Share (cents)[(1)]	16.8
After completion of the Proposed Security Arrangement	
Adjusted NTA (S$'000'000)	102.9
Adjusted NTA per Share (cents)[(1)]	20.0
After completion of the Proposed Security Arrangement and assuming foreclosure on all the Charged Assets under the Proposed Security Arrangement	
Adjusted NTA (S$ 000'000)	16.0
Adjusted NTA per Share (cents)[(1)]	3.1

Note:

(1) Based on 515,601,215 Shares in issue as at the date of this announcement.

(e) **Estimated Net Gain/Loss Impact on the Company**

Assuming that the Charged Assets under the Proposed Security Arrangement are disposed at its book value of S$106.7 million on 31 March 2017 and excluding any associated expenses that may be incurred in connection with the foreclosure of the Charged Assets under the Proposed Security Arrangement, there will be no gain or loss. For the avoidance of doubt, the actual cash consideration and associated expenses in relation to the disposal of the Charged Assets cannot be determined as at the date of this announcement. Based on the foregoing assumption, there would be no excess or deficit of the proceeds over the book value of the Charged Assets. However, in the event that the proceeds raised from the disposal of the Charged Assets under the Proposed Security Arrangement is less than the book value of the Charged Assets, the Company may recognise a loss on disposal.

9. 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 Amendment Deeds, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

10. 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.

11. FURTHER ANNOUNCEMENTS

Further announcements on the Proposed Transactions, including the receipt of the approval in-principle from the SGX-ST for the listing of and quotation for the Warrant Shares, will be made in due course as and when appropriate.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of 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.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have been delegated detailed supervision of the New Issue) 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.

14. 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
1 August 2017

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