

## NEWS RELEASE

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### **DEMANDS FROM CREDITOR FOR LOAN GUARANTEES TO KS ENERGY'S DRILLING UNIT RANGE FROM US\$115 MILLION TO US\$150 MILLION**

- *OCBC's demand to KS Energy is for guarantee of US\$150 million for KS Drilling's term loan and S\$5 million bridging loan*
- *80.09% subsidiary KS Drilling owes bank US\$230 million in term loans and S\$5.16 million in bridging loan*
- *Term loan secured by KS Drilling's assets; four other units of KS Drilling face demands for the term loan ranging from US\$115 million to US\$150 million*

**SINGAPORE, 17 August 2020** – KS Energy Limited clarified today that a demand from OCBC Bank to the company for a term loan owed by KS Drilling Pte Ltd (KSDL) is for an amount less than US\$230 million, and that these loans are secured by various assets including KSDL's jack-up and land rigs.

The listed company issued the clarification following an announcement it made last Wednesday on letters of demand sent by KSDL's creditor, OCBC.

The bank had issued letters of demand to KS Energy, KSDL and six other subsidiaries of KSDL, seeking repayment of KSDL loans. The latter owed the bank a term loan totalling US\$230.69 million and a bridging loan of S\$5.16 million. A subsidiary of KSDL also owed the bank a bridging loan of S\$5.16 million.

KS Energy said the demands it received from OCBC are for guarantees it allegedly gave for US\$150 million of KSDL's term loan, and S\$5 million for the bridging loan. The bank demanded payments within seven days. It could wind up the company within six months if not paid.

KSDL is an 80.09%-owned subsidiary of KS Energy, an investment holding company whose subsidiaries are mainly in the onshore and offshore drilling services, rig management and support services, oilfield equipment ownership and leasing.

KS Energy added that KSDL's liability under the term loan is secured by various securities, including mortgages over certain of KSDL's jack-up and land rigs in favour of OCBC. The

bridging loan is unsecured.

The company is presently seeking legal advice and will engage OCBC to remedy the situation, and to advance the interests of all stakeholders. It will keep shareholders informed on material developments and advises shareholders to exercise caution in the trading of their shares.

Meanwhile, former company chairman Kris Wiluan said that he was grateful to KS Energy's Board of Directors for asking him to stay on as CEO and Chairman of the company despite his personal problems with government prosecutors. He explained that his decision to resign from his positions was to allow him to focus on his defence and to not let KS Energy group be distracted or be entangled by his personal problems. He fully supports the Board's choice of Richard Wiluan as the new CEO and Chairman.

"Like all companies in the offshore and marine sector, KS Energy is facing unprecedented challenges from the devastating impact of Covid-19 on the global economy. Richard will work closely with our creditors and business partners to navigate through this crisis and I am confident he and the KS Energy group will do right by all our shareholders and emerge stronger."

- 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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