KS ENERGY LIMITED
An Integrated Energy Services Hub

PT JAVA STAR RIG – CUSTOMS IMPORT DUTY TO BE REFUNDED

The Board of Directors (the "**Board**") of KS Energy Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to its announcement dated 11 February 2016 which provides that PT Java Star Rig ("**PT JSR**"), a joint venture company of KS Drilling Pte Ltd ("**KS Drilling**"), had received a notice from the Ministry of Finance of the Republic of Indonesia - Directorate General Customs and Excise (the "**DGC**") that the importation of the jack-up drilling rig named the KS Java Star (the "**Rig**") was not in accordance with certain terms of the importation permit and customs duty exemption facility (the "**Permit**") issued by the Indonesian Investment Coordinating Board ("**BKPM**") and therefore not exempted from import duty.

PT JSR had paid the import duties and fines imposed and filed an appeal at the Indonesian customs court.

The Company wishes to inform that the Indonesian customs court had on 4 July 2017 issued its decision in writing accepting the appeal filed by PT JSR. The Indonesian customs court found that the importation of the Rig was in accordance with the terms of the Permit and is therefore exempted from import duty. PT JSR is due to recover the full amount of import duty and fines paid totalling approximately S$20.3 million.

The Group expects that the recovery of the import duty and fines will have a positive impact on the net result for the full year ending 31 December 2017, based on the preliminary assessment made by the Board.

KS Drilling, an 80.09%-owned subsidiary of the Company, is an investment holding company. The main activities of its subsidiaries are in the provision of onshore and offshore drilling services, rig management and support services, oilfield equipment ownership and leasing.

BY ORDER OF THE BOARD
KS ENERGY LIMITED

Lai Kuan Loong Victor
Company Secretary

13 July 2017

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

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