KS ENERGY LIMITED
An Integrated Energy Services Hub

Derivative Action Involving Directors of KS Distribution Pte Ltd

KS Energy Limited (the "**Company**") has been notified by Mr. Kris Taenar Wiluan, the Executive Chairman and Chief Executive Officer of the Company and Mr. Richard James Wiluan, a director of the Company, that on 26 January 2018, leave was granted by the Singapore High Court to Actis Excalibur Limited ("**Actis**") to bring a derivative action against both of them (the "**Intended Derivative Action**") on behalf of (i) KS Distribution Pte. Ltd. ("**KSD**"), (ii) Aqua-Terra Oilfield Equipment & Services Pte. Ltd. ("**ATOES**"), and (iii) SSH Corporation Ltd ("**SSH**") (collectively, the "**KSD Entities**"). ATOES and SSH are wholly-owned subsidiaries of KSD.

In 2010, the Company (together with its subsidiaries, the "**Group**") completed consolidation of the oil & gas and marine distribution businesses of the Group under KSD with participation by Actis, a company held by funds managed by Actis LLP, as a strategic investor. The consolidation under KSD was intended to create a seamlessly integrated oil & gas and marine services business. Subsequent to the consolidation, the Company now owns 55.35% of the equity interest of KSD, while Actis owns the remaining 44.65%.

The Company understands that, in respect of the Intended Derivative Action, the complaint by Actis is that Mr. Kris Taenar Wiluan and Mr. Richard James Wiluan (the "**Wiluans**") had allegedly acted in breach of fiduciary duties to the KSD Entities by being in a position of conflict in relation to transactions entered between the KSD Entities and certain companies connected to the Wiluans, including companies of the Group.

The complaints raised by Actis against the Wiluans will only be considered and decided upon by the Singapore High Court in the event Actis commences the Intended Derivative Action. The Company further understands that the Wiluans are taking legal advice on filing an appeal against the order granted by the Singapore High Court for leave to commence the Intended Derivative Action.

The Board of Directors is supportive of Mr. Kris Taenar Wiluan and Mr. Richard James Wiluan continuing in their roles as Executive Chairman/Chief Executive Officer of the Group and director of the Company, respectively.

The Company will make further announcements in compliance with the Listing Manual as and when further developments should arise in relation to the Intended Derivative Action.

BY ORDER OF THE BOARD
KS ENERGY LIMITED

Lai Kuan Loong Victor
Company Secretary
26 January 2018

19 Jurong Port Road Singapore 619093 Tel: +65 6577 4600 Fax: +65 6577 4618
E-mail: mail@ksenergy.com.sg Website: www.ksenergy.com.sg Company Registration No: 198300104G