
**RESPONSE TO SGX-ST'S QUERY ON THE COMPANY'S ANNOUNCEMENT
DATED 26 MARCH 2020, ENTITLED "KS ENERGY GROUP DRILLING RIG 'KS JAVA STAR'
CONTRACT UPDATE – LEGAL CLAIM BY A CUSTOMER**

The Board of Directors (the "**Board**") of KS Energy Limited (the "**Company**", together with its subsidiaries, the "**Group**") would like to respond to the questions raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in their email dated 6 April 2020 in relation to the Company's announcement entitled "**KS ENERGY GROUP DRILLING RIG 'KS JAVA STAR' CONTRACT UPDATE – LEGAL CLAIM BY A CUSTOMER**" released to the SGX-ST on 26 March 2020 (the "**Announcement**") as follows:

SGX-ST'S QUESTIONS:

We will like to draw the Company's attention to the Regulator's Column dated 6 February 2020, entitled "What SGX expects of disclosures involving Significant Litigation" (the "Column") which stated, *inter alia*, that "where the listed company cannot quantify the potential financial impact of the Significant Litigation, it should make this clear and explain why this is so".

Please quantify the potential financial impact of the Claim on the Company and whether it is expected to have any material effect on the financials of the Company for the financial year ending 31 December 2020 and the business of the Company.

Company's Responses:

Following various discussions between the Company, the Board and the lawyers for the Consortium, the Board is of the view that the Claim is not expected to have a material impact on the Company's earnings per share and net tangible assets per share for the current financial year ending 31 December 2020 and the business of the Company. The Group has not made a provision for the Claim in its financial statements.

The Consortium had on 1 April 2020, sent a response letter to CRC ("**Response Letter**"), rejecting the basis of the contract termination as set out in the notice of contract termination and the Claim. The Response Letter also requests for details in relation to the Claim and a detailed breakdown of all the sums claimed as none were provided in the notice of contract termination. As at the date of this announcement, CRC have not replied to the Response Letter or commenced legal action.

The Company will make the relevant update announcements via SGXNET in compliance with the Listing Rules and to update shareholders of the Company as and when there are material developments on this matter.

By Order of the Board
KS Energy Limited

Marilyn Tan Lay Hong
Joint Company Secretary

7 April 2020

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