# KS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198300104G)

## CLARIFICATION ANNOUNCEMENT – ON SECOND QUARTER AND HALF YEARLY RESULTS OF THE GROUP

In consultation with the SGX, KS Energy Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is addressing the information needs of its shareholders. The Board of Directors (the "**Board**") refers to the financial statement and related announcement dated 14 August 2015 in relation to the second quarter and half yearly results of the Group (the "**Announcement**").

The Board wishes to provide additional explanations to supplement the Announcement with respect to the balance of $3,832,000 identified as "assets held for sale" as at 30 June 2015 and the increase in "other current assets" from $14,286,000 as at 31 December 2014 to $18,464,000 as at 30 June 2015.

The entire balance identified as "assets held for sale" relates to a drilling rig which is currently under negotiation with a potential buyer. The same rig generated the impairment charge of $3,856,000 during the quarter.

The breakdown of "other current assets" is shown below:

| | 30.06.2015 | 31.12.2014 | Move |
|---|---|---|---|
| **Detailed breakdown:** | **$'000** | **$'000** | **$'000** |
| Sundry deposits | 348 | 374 | -26 |
| Withholding tax recoverable | 3,930 | 3,243 | 687 |
| Value-added tax receivable | 8,014 | 5,875 | 2,139 |
| Other debtors | 4,578 | 2,750 | 1,828 |
| Prepayments | 1,594 | 2,045 | -451 |
| Other Current Assets | 18,464 | 14,287 | 4,177 |

As can be seen, the increase was mainly due to higher amounts under "value-added tax receivable" and "other debtors" as at 30 June 2015 compared to 31 December 2014. These balances originate from our Drilling business and are routine in nature. Items included in "other debtors" may include advance payments to suppliers, non-trade related receivables and certain deferred expenses.

All other information in the Announcement remains unchanged.

BY ORDER OF THE BOARD
**KS ENERGY LIMITED**

Kim Yi Hwa
Company Secretary

2 September 2015

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