
SECOND LETTER OF AWARD FOR 10MW/40MWH BATTERY ENERGY STORAGE SYSTEM

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Khen Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that following the Group’s announcement on 16 February 2026 in relation to the receipt of a Letter of Award for a 10MW/40MWh battery energy storage system (“**BESS**”)(the “**First BESS Announcement**”), the Group’s wholly-owned subsidiary, WKV Hydro Technics (Pvt) Ltd. (“**WKV**”) received a second Letter of Award (“**Second LOA**”) from National System Operator (Private) Limited (“**NSO**”) in Sri Lanka on 20 March 2026 to build, own and operate a separate standalone BESS with a total capacity of 10 megawatts (“**MW**”) / 40 megawatt-hours (“**MWh**”) (“**Second BESS Project**”, and together with the First BESS Announcement, the “**BESS Projects**”). This brings the total BESS capacity awarded to the Group to 20MW/80MWh.

2. BACKGROUND

The BESS Projects relate to the tender called by the former Ceylon Electricity Board (“**CEB**”) on 30 July 2025 for proposals to build, own, and operate BESS at selected grid substations for a 15-year operational period. On 9 March 2026, the activities, duties, functions, assets and liabilities of CEB was vested into 4 separate limited companies pursuant to Sections 17(2)(a) and 18 of the Sri Lanka Electricity Act, No. 36 of 2024 (the “**Electricity Act**”), one of which is NSO. NSO is 100% owned by the Government of Sri Lanka and is responsible for, *inter alia*, operating and maintaining the System Control Centre for the real time operation of the power system of Sri Lanka and the procurement of electricity in bulk form.

3. RATIONALE FOR ENTRY INTO THE BESS TENDER

Following the completion of the Group’s restructuring on 16 June 2025 and approval from shareholders at an extraordinary general meeting held on 2 March 2026, the Group has focused on expanding its renewable energy portfolio to deliver sustainable long-term returns to shareholders. Participation in the BESS forms part of this strategic expansion, strengthening the Group’s position in energy transition opportunities. With the award of the BESS Projects, the Group’s renewable energy portfolio now comprise mini-hydro power plants, ground-mounted solar power plant, and battery energy storage systems, enhancing portfolio diversification and supporting stable, future-oriented growth.

4. MATERIAL TERM AND FINANCIAL IMPACT OF THE LETTER OF AWARD

WKV is required to achieve commercial operation of the Second BESS Project within nine (9) months from the signing of the Energy Storage Agreement, which is expected to be executed within one (1) month from acceptance of the Letter of Award. The Second BESS Project will be funded through a combination of internal resources and external

financing, and, barring unforeseen circumstances, is expected to achieve commercial operation within the stipulated timeline. While, barring any unforeseen circumstances and subject to execution risks associated with the Second BESS Project, the project is anticipated to contribute positively to Group revenue for the financial year ending 31 December 2027, it is not expected to have a material impact on earnings per share or net tangible assets per share for the financial year ending 31 December 2026.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company, none of the Directors, controlling shareholders or their associates have any interest, direct or indirect, in the award of the Second BESS Project.

6. FURTHER ANNOUNCEMENTS

The Company is actively working on and evaluating additional projects that support Sri Lanka's transition towards sustainable and renewable energy. These initiatives form part of the Company's broader strategy to expand its green energy portfolio and capture emerging opportunities in the sector. The Company will make further announcements as and when there are material developments.

7. TRADING CAUTION

Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement regarding the future success of the BESS Projects. The Company will make the necessary announcements when there are further material developments on the BESS Projects. Accordingly, shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Zhan Aijuan (Ms)
Company Secretary
23 March 2026

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.