
**AMENDMENTS TO NEW BUILD CONTRACT WITH COSCO NANTONG SHIPYARD CO., LIMITED
DATED 26 MAY 2011**

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the announcement dated 26 May 2011, the circular to shareholders dated 16 September 2011 in relation to the New Build Contracts (as defined therein), and the announcement dated 10 July 2015.

The Board of Directors (the “**Board**”) of KS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 26 May 2011, the circular to shareholders dated 16 September 2011 in relation to the New Build Contracts (as defined therein) with COSCO Nantong Shipyard Co., Ltd. (“**COSCO Shipyard**”), and the announcement dated 10 July 2015.

The Board wishes to announce that the KS Drilling Pte Ltd (“**KS Drilling**”) has entered into a further amendment agreement dated 5 May 2016 (the “**Further Amendment Agreement**”) with COSCO Shipyard in relation to the New Build Contract (the “**Contract**”) for the New Rig with builder’s hull number N408 (the “**Rig**”).

In the spirit of partnership between KS Drilling and COSCO Shipyard, and in light of the currently unfavourable oil and gas market climate, and pursuant to the Further Amendment Agreement, KS Drilling and COSCO Shipyard have agreed to extend the time for KS Drilling to take delivery of the Rig from 30 April 2016 until 31 December 2017, on mutually agreed terms and conditions.

The Further Amendment Agreement is not expected to have any material impact on the net tangible assets and earnings per share of the Company and the Group for the current financial year ending 31 December 2016.

None of the Directors or substantial shareholders of the Company has any direct or indirect interest in the above transactions, save for their respective interest, through their shareholdings and/or directorships, as the case may be, in the Company.

By Order of the Board
KS ENERGY LIMITED

Kim Yi Hwa
Company Secretary

12 May 2016

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