

**KS ENERGY GROUP RIG “KS DISCOVERER 1” RESUMES DRILLING
OPERATIONS UNDER A NEW CONTRACT**

Further to the announcement made on 2 October 2014, KS Energy Limited (the “Company” and together with its subsidiaries, the “Group”) would like to announce that Atlantic Onshore Services BV, a subsidiary of KS Drilling Pte Ltd (“KS Drilling”), has signed a new contract with OP Hawler Kurdistan Limited (formally known as Norbest Limited), a subsidiary of ORYX Petroleum Corporation Limited of Canada, for the provision of drilling services with the “KS Discoverer 1”, the Group’s 1,500HP onshore drilling rig. Drilling operations are expected to continue in Kurdistan until the first quarter of 2015. The expected value of the new contract is approximately US\$4.5 million.

The new contract is not expected to have any material effect on the earnings per share and net tangible assets per share of the Company for the financial year ending 31 December 2014.

None of the Directors or Substantial Shareholders of the Company has any direct or indirect interest in the aforesaid transactions, other than for their respective interests, through their shareholdings and/or directorships, as the case may be, in the Company.

KS Drilling, an 80%-owned subsidiary of the Company, is an investment holding company. The main activities of its subsidiaries are in the provision of onshore and offshore drilling services, rig management and support services, oilfield equipment ownership and leasing.

By Order of the Board
KS Energy Limited

Caroline Yeo
Company Secretary
14 October 2014

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