KS ENERGY LIMITED
An Integrated Energy Services Hub

TRANSFER OF SHARES IN PT JAVA STAR RIG

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of KS Energy Limited ("**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company's associated company, PT KS Drilling Indonesia ("**PT KSDI**"), has on 6 October 2015, entered into a sale and purchase agreement (the "**Agreement**") with PT Citra Agramasinti Nusantara ("**PT CAN**") pursuant to which it shall sell to PT CAN, 49,000 ordinary shares (the "**Sale Shares**"), representing 4.9% of the issued and paid-up capital of PT Java Star Rig ("**PT JSR**", and together with PT KSDI and PT CAN, the "**Parties**") for an aggregate consideration of US$49,000 (the "**Proposed Transfer**"). As at the date hereof, PT JSR has an issued and paid-up share capital of US$1,000,000 comprising 1,000,000 ordinary shares, of which PT KSDI owns 999,000, representing 99.9% of PT JSR. PT KSDI is in turn 49.0% owned by KS Drilling Pte Ltd, which is in turn 80.0% owned by the Company.

The shareholding structure of PT JSR before and after the Proposed Transfer is as follows:

Shareholders	**Before the Proposed Transfer**		**After the Proposed Transfer**	
	No. of Shares	**Percentage**	**No. of Shares**	**Percentage**
PT KSDI	999,000	99.9%	950,000	95.0%
PT CAN	-	-	49,000	4.9%
Iwan Adi Prastyo	1,000	0.1%	1,000	0.1%
Total	**1,000,000**	**100.0%**	**1,000,000**	**100.0%**

2. CONSIDERATION AND RATIONALE FOR THE PROPOSED TRANSFER

The consideration of US$49,000 was arrived at on a willing-seller and willing-buyer basis, after taking into account the book value of the Sale Shares of US$0.87 million, as well as the rationale set out below.

The Proposed Transfer is being carried out for compliance with Presidential Regulation of the Republic of Indonesia Number: 36 of 2010 on List of Business Fields Closed to Investment and Business Fields Open, With Conditions, to Investment ("**Regulation 36**"). Under Regulation 36, PT JSR, as a company engaged in oil and gas drilling services, can only have a maximum of 95.0% foreign ownership. Accordingly, for compliance with Regulation 36, the Company is undertaking the Proposed Transfer to PT CAN.

3. INFORMATION ON PT CAN AND INTERESTED PERSON TRANSACTION

PT CAN is a company incorporated in the Republic of Indonesia principally engaged in the provision of supporting services to the oil and gas industry. As at the date hereof, PT CAN is 60.0% owned by Mr. Kris Taenar Wiluan, ("**Mr. Wiluan**"), the Executive Chairman and Chief Executive Officer of the Company, and 40.0% owned by Ms. Hedy Wiluan, the sister of Mr. Wiluan. The Proposed Transfer will thus constitute an "interested person transaction" under Chapter 9 of the Listing Manual Section A: Main Board Rules (the "**Listing Manual**") of the

Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The value of the Proposed Transfer, both alone and when aggregated with other transactions entered into with PT CAN for the financial year ending 31 December 2015, represents less than 3.0% of the audited consolidated net tangible assets of the Group. Accordingly, no shareholder approval is required for the Proposed Transfer.

The Proposed Transfer is not on an arm's length basis or on normal commercial terms, but is beneficial to the Company, especially in light of the rationale set out above.

4. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

As each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Listing Manual is less than 5.0%, the Proposed Transfer is a "non-discloseable transaction" for the purposes of Chapter 10 of the Listing Manual.

5. FINANCIAL EFFECTS

The Proposed Transfer is not expected to have a material impact on the Company's consolidated net tangible assets or earnings per share for the financial year ending 31 December 2015.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company), in the Proposed Transfer.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00p.m. at the Company's registered office at 19 Jurong Port Road Singapore 619093 for a period of three (3) months from the date of this announcement.

8. ANNOUNCEMENTS

Further announcements on the Proposed Transfer will be made in due course as and when appropriate.

9. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

KS ENERGY LIMITED
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BY ORDER OF THE BOARD
KS ENERGY LIMITED

Kim Yi Hwa
Company Secretary

8 January 2016

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