KS ENERGY LIMITED
An Integrated Energy Services Hub

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 and the circular to shareholders dated 16 September 2011 in relation to the New Build Contracts (as defined therein).

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 and the circular to shareholders dated 16 September 2011 in relation to the New Build Contracts with COSCO Shipyard.

The Board wishes to announce that the Company has entered into an amendment agreement dated 08 July 2015 (the "**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**"). The Rig is currently ready to be delivered.

Pursuant to the Amendment Agreement, KS Drilling shall be entitled, at any time prior to 30 April 2016, to take delivery of the Rig. The remaining payment for the Rig shall only be paid within five (5) working days after the signing of the protocol of acceptance for the Rig.

KS Drilling and COSCO Shipyard have also, mutually agreed that: (i) in the event that either party receives an offer from a third party under which both parties could recover their respective costs, either party shall be entitled to sell the Rig; and (ii) in the event that the offer does not allow this, both parties shall negotiate in good faith to find a compromise solution.

Further pursuant to the Amendment Agreement, in the event that: (i) KS Drilling does not take delivery of the Rig or if the Rig is not sold; **and** (ii) KS Drilling does not order either one (1) LeTourneau WORKHORSE® or one (1) Super 116E design jackup drilling rig, prior to 30 April 2016, KS Drilling shall pay to COSCO Shipyard interest on any remaining payment at the rate of three (3) month London Interbank Offered Rate (LIBOR) plus 1.5% per annum, calculated from 1 May 2015 to the date of payment to COSCO Shipyard.

19 Jurong Port Road Singapore 619093 Tel: +65 6577 4600 Fax: +65 6577 4618
E-mail: mail@ksenergy.com.sg Website: www.ksenergy.com.sg Company Registration No: 198300104G

KS ENERGY LIMITED
An Integrated Energy Services Hub

The above amendments are 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 2015.

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

Caroline Yeo
Company Secretary

10 July 2015

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

19 Jurong Port Road Singapore 619093 Tel: +65 6577 4600 Fax: +65 6577 4618
E-mail: mail@ksenergy.com.sg Website: www.ksenergy.com.sg Company Registration No: 198300104G