

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of KS Energy Limited (the "**Company**") will be held at 19 Jurong Port Road, Singapore 619093 on 27 October 2017 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

*All capitalised terms in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 12 October 2017 (the "**Circular**").*

SHAREHOLDERS SHOULD NOTE THAT ORDINARY RESOLUTIONS 2 AND 3 ARE CONDITIONAL ON THE PASSING OF ORDINARY RESOLUTION 1. IN THE EVENT THAT ORDINARY RESOLUTION 1 IS NOT PASSED, ORDINARY RESOLUTIONS 2 AND 3 WILL ALSO NOT BE PASSED.

ORDINARY RESOLUTIONS 1 AND 4 ARE INTER-CONDITIONAL. IN THE EVENT THAT EITHER OF ORDINARY RESOLUTION 1 OR 4 IS NOT PASSED, THE OTHER ORDINARY RESOLUTION 1 OR 4 (AS THE CASE MAY BE) WILL ALSO NOT BE PASSED.

AS ORDINARY BUSINESS

ORDINARY RESOLUTION 1:

THE PROPOSED BONDS ISSUE AND THE PROPOSED WARRANTS ISSUE

THAT:

- approval be and is hereby given for the repurchase of the S\$45.0 million 6.00 per cent. convertible bonds due 2016 from Oversea-Chinese Banking Corporation Limited ("**OCBC**"), Pacific One Energy Limited ("**POEL**") and Hedy Wiluan ("**HW**"), the repurchase of the S\$7.5 million 6.00 percent. convertible bonds due 2016 from TAEI One Partners Ltd (acting in its capacity as General Partner of The Asian Entrepreneur Legacy One, L.P.) ("**TAEI**"), the conversion of the Existing Loans owed by the Company to POEL into Bonds, and such other transactions contemplated thereunder;
- approval be and is hereby given for the creation and issue of an aggregate S\$65.5 million fixed rate secured bonds due 2020 (the "**Bonds**") to OCBC, TAEI, POEL and HW (collectively, the "**Lenders**"), pursuant to the Bond Purchase Agreements entered into between the Company and each of the Lenders, which constitutes a material alteration of the terms of the Existing Convertible Bonds to the advantage of the holders of the Existing Convertible Bonds pursuant to Rule 829(3) of the Listing Manual;
- approval be and is hereby given for the creation and issue of 65.5 million non-listed warrants (the "**Warrants**") to the Lenders, pursuant to the Warrant Subscription Agreements entered into between the Company and each of the Lenders, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the "**Warrant Shares**") at an exercise price of S\$0.045 per Warrant Share, such Warrants to be exercised during the Exercise Period and on such other terms and conditions as set out in the Warrant Instrument;
- approval be and is hereby given for the issue and allotment of 65.5 million new Warrant Shares to the Lenders upon the exercise of the Warrants in accordance with the terms and conditions of the Warrants, whereby such new Warrant Shares shall rank *pari passu* in all respects with the then existing Shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions where the record date is before the date of issue and allotment of the Warrant Shares;
- approval be and is hereby given for the issue of additional Warrants and/or the adjustment to the exercise price of the Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants, whereby such additional Warrants shall rank *pari passu* with the existing Warrants for all purposes form part of the same series;
- approval be and is hereby given for the execution of the share charge (the "**Share Charge**") over the shares of the Company's subsidiary, KS Drilling Pte. Ltd., that are legally and beneficially owned by the Company in favour of the Security Trustee, as continuing security for the payment and discharge of the Company's obligations under the Bonds; and
- any director of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary, desirable or expedient to give effect to the matters referred to in paragraphs (a) to (f) above and/or to give effect to this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) as he shall think fit and in the interests of the Company.

ORDINARY RESOLUTION 2:

THE PROPOSED POEL TRANSACTIONS

THAT:

- approval be and is hereby given for the creation and issue of an aggregate S\$18.5 million Bonds and 18.5 million Warrants to POEL, a restricted placee pursuant to Rule 812(1) of the Listing Manual, which constitutes an interested person transaction under Chapter 9 of the Listing Manual, and such other transactions contemplated thereunder; and
- any director of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary, desirable or expedient to give effect to the matters referred to in paragraph (a) above and/or to give effect to this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) as he shall think fit and in the interests of the Company.

ORDINARY RESOLUTION 3:

THE PROPOSED HW TRANSACTIONS

THAT:

- approval be and is hereby given for the creation and issue of an aggregate S\$9.5 million Bonds and 9.5 million Warrants to HW, a restricted placee pursuant to Rule 812(1) of the Listing Manual, which constitutes an interested person transaction under Chapter 9 of the Listing Manual, and such other transactions contemplated thereunder; and
- any director of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary, desirable or expedient to give effect to the matters referred to in paragraph (a) above and/or to give effect to this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) as he shall think fit and in the interests of the Company.

ORDINARY RESOLUTION 4:

THE PROPOSED SECURITY ARRANGEMENT

THAT:

- approval be and is hereby given for the execution of a share charge over 179,156,000 Ordinary Shares of the Company's subsidiary, KS Drilling Pte. Ltd., that are legally and beneficially owned by the Company and all other shares in KS Drilling Pte. Ltd. which are now or in the future issued to or acquired or subscribed by the Company or in which the Company now or in the future has an interest (the "**Charged Assets**") in favour of Oversea-Chinese Banking Corporation Limited (the "**Share Charge**"), acting as security trustee for the Lenders, as continuing security for the payment and discharge of the Company's obligations under the Bonds issued to the Lenders, pursuant to which the foreclosure on all the Charged Assets under the Share Charge shall constitute a major transaction under Chapter 10 of the Listing Manual; and
- any director of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary, desirable or expedient to give effect to the matters referred to in paragraph (a) above and/or to give effect to this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) as he shall think fit and in the interests of the Company.

BY ORDER OF THE BOARD

KS ENERGY LIMITED

Soh Gim Teik

Director

12 October 2017

Notes:

- Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
- Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. A proxy need not be a member of the Company.
- The Proxy Form must be lodged at the Company's registered office at 19 Jurong Port Road, Singapore 619093, not less than 48 hours before the time fixed for holding the above Meeting.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guideline (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.