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**AMENDMENTS TO NEW BUILD CONTRACT WITH  
SHANGHAI ZHENHUA HEAVY INDUSTRIES CO., LTD DATED 23 JUNE 2014**

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*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the announcement dated 23 June 2014 and the circular to shareholders dated 03 October 2014 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 24 June 2014 and the circular to shareholders dated 03 October 2014 in relation to the New Build Contracts with ZPMC.

The Board wishes to announce that KS Rig Invest Five Ltd (“**KSRI-5**”), a subsidiary of KS Drilling Pte Ltd. (“**KS Drilling**”) has entered into an amendment agreement dated 02 June 2016 (the “**Amendment Agreement**”) with ZPMC in relation to the New Build Contract (the “**Contract**”) for the first New Rig, Rig No.1 (the “**Rig**”). The Rig is currently under construction.

Pursuant to the Amendment Agreement, KS Drilling shall be entitled, at any time, following Technical Acceptance and prior to 31 December 2018, to take delivery of the Rig. In consideration of this deferral, KSRI-5 agreed that liquidated damages associated with the Contract will only be applicable in the event KSRI-5 has entered into an effective drilling contract for the Rig on or after 31 July 2017 and ZPMC is unable to meet the requested delivery date.

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 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

21 June 2016

For more information on KS Energy Limited, please visit our website at [www.ksenergy.com.sg](http://www.ksenergy.com.sg).