



KS ENERGY SERVICES LIMITED

(Company Registration No. 198300104G)

INCORPORATION OF JOINT VENTURE COMPANIES

The Board of Directors of KS Energy Services Limited (“KS Energy”) wishes to refer to its announcement on 17 April 2006 on the joint venture with Tat Hong Holdings Ltd (“Tat Hong”) to charter two land rigs to a China national oil company.

Further to the said announcement, KS Energy and Tat Hong agreed that two new companies be incorporated for the purposes of the joint venture.

KT Lion Oilfield Services Limited (“KT Lion”), the first joint venture company has been incorporated in the British Virgin Island. KS Energy and Tat Hong each have subscribed for 7 and 3 shares respectively in the capital of KT Lion at a subscription price of US\$1.00 per share in cash. KT Lion is now a subsidiary company of KS Energy.

GIRDNAL Oilfield Services, Inc (“GIRDNAL”), the second joint venture company has been incorporated in the United State of America. KS Energy and Tat Hong each have subscribed for 500 shares in the capital of GIRDNAL at a subscription price of US\$1.00 per share in cash. GIRDNAL is now an associated company of KS Energy.

The abovementioned subscriptions were funded by internal resources.

The abovementioned transactions are not expected to have any material effect on the net earnings per share and net tangible assets per share of the Company for the financial year ending 31 December 2006.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect on the abovementioned transaction.

By Order of the Board
Lim Ka Bee
Company Secretary
Date: 6 November 2006

About KS Energy

Listed on SGX-SESDAQ on 6 August 1999 and upgraded to the Mainboard on 11 March 2002, KS Energy (formerly known as KS Tech Ltd) is an energy services group catering to the oil & gas and petrochemical industries around the world.

In addition to distributing more than 60,000 oil & gas related products that encompass over 140 international brands, the Group through a series of acquisitions in the last few years enhanced its expertise in the related services of procurement, distribution, engineering and offshore chartering to support its customers.

Over the last two decades, the Group has established very close working relationships with major oil & gas companies in the region. In leveraging its enhanced expertise as a leading one-stop supply and services provider with these long term relationships, KS Energy was able to provide higher value-added services by procuring and supplying upgraded capital assets to

CNOOC Group, Maersk, Gulf Drilling International Limited and others under the service contracts it has secured since November 2003.

Headquartered in Singapore, the Group has subsidiaries and representative offices in China, Vietnam, Thailand, Qatar, UAE, USA and Malaysia to support its wide base of global oil & gas customers.