



KS ENERGY SERVICES LIMITED

(Company Registration No. 198300104G)

NEWS RELEASE

KS Energy Proposes 2 For 5 Rights Issue to Enhance Capital Base and Support Business Expansion

- 2 for 5 rights issue at S\$1.60 per share to raise up to S\$174 million
- Pacific One Energy and concerted parties undertake to fully subscribe for their rights shares entitlements amounting to 29.6 million shares
- Pacific One Energy undertakes to make excess applications for up to an additional 54.8 million rights shares
- Kim Eng Securities undertakes to underwrite up to 11.7 million rights shares
- Whitewash waiver approved by the Securities Industry Council subject to certain conditions

SINGAPORE, 30 June 2008 – Main board listed KS Energy Services Limited (“KS Energy” or the “Company”), the region’s leading integrated oil and gas services provider, today announced that the Company is proposing a two for five rights issue to raise up to S\$174 million. Shareholders can subscribe to two new rights shares for every five existing shares held.

KS Energy will issue up to 109,355,010 rights shares at S\$1.60 each, subject to approvals from the relevant regulatory authorities and the shareholders of the Company.

The net proceeds from the rights issue of up to approximately S\$174 million will be used to repay its bank borrowings, fund its capital equipment acquisitions and for working capital requirements.

The Company’s controlling shareholders, namely Pacific One Energy Limited (“POE”) and its concert parties, have given their irrevocable undertakings to subscribe in full for their rights shares entitlements, comprising an aggregate of 29,640,000 rights shares. Additionally, POE has undertaken to make excess applications to subscribe for the first

54,813,600 rights shares in the event they are not subscribed by the other shareholders of the Company. Also, Kim Eng Securities Pte. Ltd will underwrite and subscribe and/or procure subscribers for the next 11,741,410 right shares which are not subscribed by the other shareholders of the Company.

The above undertakings by POE and its concert parties as well as the underwriting by Kim Eng Securities will amount to 96,195,010 rights shares or approximately 88% out of the maximum 109,355,010 rights shares.

In connection with the Rights Issue, the Company has also obtained a whitewash waiver from the Securities Industry Council which waives the obligation for a mandatory general offer by POE and its concert parties pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers. The waiver is subject to certain conditions, including the passing of the whitewash resolution at an extraordinary general meeting of the shareholders of the Company and the appointment of an independent financial adviser to advice on the whitewash resolution

Commenting on the rights issue, Mr. Kris Wiluan, Chairman and CEO of KS Energy said, “this exercise will strengthen our equity base and speed up our plans to grow our capital equipment fleet. As the current demand remains strong, the fleet expansion will enable us to capitalize on these opportunities. The undertakings from Pacific One Energy and certain other shareholders of the Company demonstrate our commitment and confidence in KS Energy. We hope that our shareholders will also subscribe for the rights issue to support the Company’s strategic growth initiatives.”

KS Energy, together with its wholly-owned subsidiary Atlantic Oilfield Services Ltd, now have the ability to provide an integrated suite of services comprising capital equipment chartering, drilling and rig management services to cater to high value and high margin projects from the oil and gas industry. Being a relatively new entrant to the drilling equipment and services market, KS Energy needs to quickly build up a critical fleet mass to cater to the region’s rising exploration and production activities.

“Our familiarity with the operating conditions in the region gives us the opportunities to support the capital equipment chartering and drilling needs of the oil majors operating in this part of the world. Within a short span of time, we have transformed KS Energy from a trader of capital equipment and distributor of parts and components into an integrated oilfield supply and services provider. Joining the league of the international drilling operators, we now have a growing capital equipment fleet, internationally accredited drilling capabilities, an extensive distribution network with an expanded geographic reach spanning Asia, the Middle East, the Mediterranean and the North Sea,” Mr. Kris Wiluan added, when commenting on the capabilities and the prospects of the KS Energy Group.

ABOUT KS ENERGY SERVICES LIMITED

A Globally Accredited and Integrated Oil & Gas Services Provider

KS Energy Services Limited (“KS Energy”) is a leading one-stop energy services provider to the global oil & gas (“O&G”) and petrochemical industries. The shares of KS Energy are traded on the main board of the Singapore Exchange.

The core activities of KS Energy are in the distribution and capital equipment charter and services. For its distribution business, KS Energy ranks as one of the leading distributors of oil and gas equipment, spare parts, consumables and industrial products in the region. Together with Aqua-Terra Supply Co., Limited (“Aqua-Terra” or “ATS”) and SSH Corporation Ltd (“SSH”), the KS Energy group distributes more than 60,000 oil and gas related products comprising more than 140 international brands of products.

Following the acquisition of Atlantic Oilfield Services Ltd (“AOS”) in May 2007, KS Energy now has the capability to supply, as well as operate capital equipment, including on-shore and off-shore rigs. Integrating the twin capabilities of AOS and KS Energy, the group now has the ability to provide a full suite of services directly to the oil and gas companies, tendering for high value and high margin projects. Currently, KS Energy has a fleet of 20 capital assets. Headquartered in Singapore, it has a geographical reach spanning South East Asia, China, the Middle East, the North Sea, Europe and the USA.

For more information, please visit our website: www.ksenergy.com.sg

For enquiry please contact :

Tan Peck Hwa

Telephone : + 65 9635 4996 (mobile) + 65 6749 8871 (office)

Email: tphcomms@singnet.com.sg