



NEWS RELEASE

KS ENERGY'S MIDDLE EAST JV TO BUILD A US\$148 MILLION OFFSHORE JACKUP RIG

- JV Company co-owned by KS Energy, Amwal Al Khaleej and MIS to commission Rig construction.
- US\$148 million Super M2 Jackup Drilling Rig to be delivered in 30 months.
- Rig targeted for Middle East market.

SINGAPORE, 3rd April 2007 – Mainboard listed KS Energy Services Limited (“KS Energy” or the “Group”) today announced a major thrust into the Middle-East as it inks a joint venture agreement with Amwal Al Khaleej Investment Co. (“Amwal Al Khaleej”) and Maritime Industrial Services Co., Ltd., Inc. (“MIS”). The joint venture will thereafter commission MIS to construct a US\$148 million Friede & Goldman Super M2 design offshore jackup drilling rig (the “Rig”).

The partnership will commence with the establishment of a joint venture company. The shareholding of the joint venture company will be as follows:

- 50% - KS Energy
- 40% - Amwal Al Khaleej
- 10% - MIS

Targeted for the Middle Eastern market, the Rig will be built by MIS in its fabrication and shipyard facility in Sharjah, United Arab Emirates. The delivery of the rig will be 30 months from the effective date of the contract.

“Currently, the Middle East and the Gulf of Mexico are the two dominant jackup markets that make up roughly 50% of the world market,” said Mr. Kris Wiluan, Chairman and



KS ENERGY SERVICES LIMITED

RCB No.: 198300104G
No 4 Tuas Avenue 5 Singapore 639331
E-mail: mail@ksenergy.com.sg

Tel: (65) 6415 0808 Fax: (65) 6898 4418
Website: www.ksenergy.com.sg

CEO of KS Energy, “and with the Middle Eastern countries planning to invest more than US\$1 trillion in infrastructure and development, this is an excellent opportunity for us to join forces with our partners and tap into the strong rig demand in the Middle East.”

During the Pareto Conference in Oslo in 2006, when comparing the worldwide demand for jackups of 402 rig years with the marketed supply of 388 rig years then, the forecast points to a net global marketed deficit of 14 rig years in 2007 (*Source: ODS-Petrodata*). This statistic is extremely significant, relative to the net marketed surpluses of 40 rig years in 2004 and 23 rig years in 2005. Furthermore, for the Middle East and India, the jackup demand has escalated from 89 rig years in 2004 to 103 rig years in 2006. This demand is expected to increase to 128 rig years in 2007.

Founded in late 2004, Amwal Al Khaleej is one of Saudi Arabia’s leading private equity firms. Headquartered in Riyadh, Amwal Al Khaleej is a regional private investment powerhouse that sources, structures, and acts as an investor in strategic minority equity investments, private placements, privatizations and buy-outs in the Middle East/North Africa (MENA) region. Amwal Al Khaleej also has investment teams deployed in its offices in Cairo, Egypt and Dubai, UAE. The firm was involved in landmark and high profile transactions. Amwal’s first fund “AMWAL I”, has a size of US\$267 million (Saudi Riyal 1 billion). All of the firm’s investments are performed through “Amwal” Funds.

Commenting on its latest joint venture with the KS Energy Group, Mr. Ammar Alkhudairy, Managing Director of Al Khaleej says: “In Amwal, with our position as a leading private equity house in the Middle East, we have the ground knowledge, a ready network and strong financial resources to ensure the success of this venture.”

MIS is a Panamanian registered company with its major fabrication base and shipyard in Sharjah, UAE and has approximately 3,500 employees. The company was founded in 1979 and has 27 years of profitable operating history. MIS provides integrated onshore and offshore engineering, procurement, fabrication, maintenance, construction and shipyard services including oil, gas and petrochemical processing equipment, marine, structural and new-build offshore jackup drilling rigs, site installation, construction, commissioning and shipyard services, professional, technical, operational and safety services. 2005 revenue was USD 108.8 million with net profits of USD 9.6 mill. Audited 2006 revenue is USD 177.4 million with net profits of USD 19.3 mill. MIS is listed on the Norwegian OTC market (NOTC:MISC).

“MIS has been instrumental in bringing together all the parties in this joint venture. This type of joint holdings of rigs in the Middle East will continue to increase as more local companies establish themselves as equity holders in offshore jack-ups in the biggest oil and gas producing market in the world.” Said Mr. Jerry M. Smith, Managing Director of MIS.



KS ENERGY SERVICES LIMITED

RCB No.: 198300104G
No 4 Tuas Avenue 5 Singapore 639331
E-mail: mail@ksenergy.com.sg

Tel: (65) 6415 0808 Fax: (65) 6898 4418
Website: www.ksenergy.com.sg

The funding for this new rig will be met by internal resources and borrowings. The joint venture company is presently exploring leasing opportunities with various parties. This transaction is not expected to contribute to the performance of KS Energy in the current financial year.

About KS Energy Services Limited

A leading one-stop energy services provider to the global oil & gas and petrochemical industries

Listed on SGX-SESDAQ on 6 August 1999 and upgraded to the Mainboard on 11 March 2002, KS Energy 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, marine and tubular related products items that encompass more than three hundred global 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, Indonesia and Malaysia to support its wide base of global oil & gas customers.

For enquiry please contact:

*Tan Peck Hwa
Asia Business Channels Pte Ltd
Tel: 6749 8871 / 9635 4996
Email: tphcomms@singnet.com.sg*