



# **KS ENERGY SERVICES LIMITED**

(Company Registration No. 198300104G)

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## **Five-Year Charter Of New Self-Propelled Offshore Jack-Up Rig For US\$95 Million**

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KS Energy Services Limited (“KS Energy” or the “Group”) is pleased to announce that it has established a 50:50 joint venture company (“the JV”) with Ezra Holdings Limited (“Ezra”) to acquire and subsequently own a new self-propelled offshore jack-up rig (“Rig”). The Rig, upon completion, is expected to be chartered to a Central American based national oil company for operation in the Gulf of Mexico. In addition to chartering the Rig, the Group will also provide the supply of parts / equipment and other procurement services to support its subsequent operations. The Rig will be constructed by a shipyard in North America.

It is envisaged that the total value of the charter as well as the management and support services is approximately US\$95 million over a period of 5 years, comprising an initial term of 3 years with an option to extend for another 2 years. Unlike a conventional jack-up rig, the self-propelled Rig is not fixed in one position and can move on its own from one location to the next. This self-propulsion ability will translate into savings on valuable time and significant rig relocation costs for the end user.

The JV will have an initial paid up capital of US\$1.0 million. The project costs shall be funded via a combination of equity and bank borrowings. KS Energy will play a key role in the construction of, installation, commissioning, supervision and the subsequent management of the Rig. Delivery of the Rig to the Gulf of Mexico is expected to take place by 3Q FY2007. At the end of the charter, the JV as owner of the Rig will be able to re-deploy the asset for other operations.

The project is not expected to have a material impact on the Group’s earnings per share or net tangible assets for the financial year ending 31 December 2006. None of the directors or substantial shareholders of KS Energy has any interest, directly or indirectly, in the above transaction.

BY ORDER OF THE BOARD

Lim Ka Bee

Company Secretary

26 April 2006

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### **About KS Energy Services Limited (“KSES”)**

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.