



KS ENERGY SERVICES LIMITED

(Company Registration No. 198300104G)

NEWS RELEASE

1H FY2006 Results Announcement: 6 months ended 30 June 2006

Broad Based Growth Fuelled By Buoyant Oil & Gas Industry

Record Half Year Performance in 1H FY2006: Revenue +56% & Net Profit +83%

	1H FY2006	1H FY2005	% change
Revenue	\$131.9m	\$84.6m	+56%
Gross Profit	\$35.8m	\$26.6m	+35%
Profit Before Tax	\$38.3m	\$20.4m	+88%
Net Profit	\$31.0m	\$16.9m	+83%
Earnings per share	13.00 cents	7.16 cents	+82%
Net Dividend payout	\$10.3m	\$4.1m	+151%

Key Points

- **A record half year performance: 1H Net Profit +83% to \$31 million**
- **Broad based revenue growth: both distribution of equipment & parts and capital equipment related business contributed strongly**
- **Group expects to undertake more capital equipment related projects in 2H FY2006**
- **Strong organic growth and contributions from newly acquired subsidiaries will continue to drive the distribution business**
- **Group expects net profit in FY2006 to exceed FY2005**
- **Interim net dividend payout up 151% to \$10.3 million**
Proposed dividend per share: 1.8 cents special and 2.9 cents interim

Singapore, 7 August 2006 – Singapore Exchange Mainboard-listed KS Energy Services Limited (“KS Energy” or the “Group”), an energy services group which refurbishes and supplies capital equipment as well as distributes equipment, parts, and consumables for the global oil & gas industry today released a sterling set of interim results for the six months ended 30 June 2006.



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Demand from the buoyant global oil & gas industry resulted in additional orders for capital equipment in 1H FY2006. With rising contributions from a larger number of completed capital equipment related projects and strong growth in the Group's distribution business, group revenue rose 56% to \$131.9 million and net profit soared 83% to \$31.0 million in 1H FY2006. To reward shareholders, the directors have proposed a special dividend of 1.8 cents (less tax at 20%) and interim dividend of 2.9 cents per share (one-tier tax exempt). The total net dividend payable for 1H FY2006 of \$10.3 million is higher by 151% compared to the total net dividend paid for 1H FY2005 of \$4.1 million.

More capital equipment related projects were completed in 1H FY2006. Revenues from these projects were added to the recurring revenue from the existing base of capital equipment charter contracts. In distribution, robust demand for equipment, parts and consumables from the Group's global oil & gas customers underpinned healthy growth in the business that has in recent years expanded through strategic acquisitions. Growth in demand for parts and consumables was further driven by the completion of additional rig and capital equipment related projects.

Mr Chew Thiam Keng, the Managing Director of KS Energy commented, "With rising investments by major oil & gas exploration and production companies worldwide, the Group expects to refurbish and supply more capital equipment to customers in 2H FY2006. In the distribution business, we expect the strong organic growth to continue. The scheduled completion of more capital equipment related projects in 2H FY2006 will further drive demand for equipment, parts and consumables."

In April 2006, Pacific Oilfields Equipment Investment Corporation, controlled by Mr Kris Wiluan, and his associates acquired a substantial interest in KS Energy. Mr Wiluan, who has since assumed the position of Executive Chairman of the Group said, "Before my involvement, KS Energy is already a high growth company with a very competent management team. Going forward, I will leverage on my contacts in the Indonesian oil & gas sector to open up a new and potentially large market for capital equipment related projects for the Group."

Barring unforeseen circumstances, the Group expects to achieve growth in net profit in FY2006.

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About KS Energy Services Limited (“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 and supply of refurbished and new capital equipment 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 serve its wide base of global oil & gas customers.

Contact Information

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