



KS ENERGY SERVICES LIMITED

(Company Registration No. 198300104G)

NEWS RELEASE

KS Energy reports 105% rise in revenue and 24% increase in operating net profit for 1H FY08

- Revenue rose 105% from \$153 million to \$313 million.
- Net operating profit after tax and minority interests rose 24% from \$21 million to \$26 million.
- Net profit after tax reduced from \$56 million to \$31 million due to lower contribution from disposal of non-current investments.
- KS Energy has successfully transformed from a trader of capital equipment to an integrated oilfield supply and services provider.
- Business transformation now delivering results.
- The Group now has the expertise and capabilities to provide capital equipment charter, drilling and rig management services directly to international oil majors.

SINGAPORE, 14 August 2008 – Main board listed KS Energy Services Ltd (“KS Energy” or the “Group”) today announced a 104.6 % increase in revenue and a 23.6% increase in operating net profit after tax, excluding non-recurring gain.

For the first half year ended 30 June 2008 (“1H FY08”), the Group reported revenue of \$313.1 million compared to \$153.0 million in the first half of the previous financial year (“1H FY07”). The growth in revenue was attributable to higher contributions from both distribution (“Distribution Business”) and capital equipment charter and drilling business (“Drilling Services Business”). By business segments, revenue from Drilling Services Business rose from \$35.4 million (1H FY07) to \$145.1 million (1H FY08), accounting

for 46.3% of the Group's total revenue. Distribution Business accounted for 53.7% of the Group's total revenue.

Profit from disposal of non-current investments fell to \$6.4 million (1H FY08) from \$42.9 million (1H FY07). As at 30 June 2008, KS Energy had approx. \$16.8 million of non-current investments.

The Group reported \$31.5 million (1H FY08) net profit after tax and minority interests as compared to \$56.5 million (1H FY07). This was due to lower profit derived from the disposal of non-current investments in 1H FY08 compared to 1H FY07.

Hence, the net operating profit after tax and minority interests, excluding profit from the divestment of non-current investments, rose 23.6% from \$21.2 million* (1H FY07) to \$26.2 million** (1H FY08).

Commenting on the KS Energy's performance, Mr. Kris Wiluan – Chairman and CEO said: *“The business transformation over the last twelve months is showing results as we see increasing operating income contribution. It is necessary for us to steer the organisation towards increasing its operating income and reducing its reliance on contribution from non-current investments. The Group's results today prove our ability to put KS Energy onto a strategic and disciplined growth path. We are confident that as we work towards securing more charters and growing our distribution business, the Group will continue to generate and grow a steady stream of income from both its business units.”*

The oil and gas industry is expected to remain buoyant. The demand for energy and high price of crude oil, notwithstanding the recent price correction, will continue to fuel exploration and production activities globally. The Group is now operating from its integrated facilities in Jurong Port Road. This will enhance our sales and distribution capabilities and foster synergies within the Group. The Group expects its operating results to perform well.

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Note * Operating net profit for H1 FY07, \$21.2 million : (Profit after tax and minority interests \$56.455 million) minus (disposal gain of \$42,938 million less 18% tax).

Note ** Operating net profit for H1 FY08, \$26.2 million : (Profit after tax and minority interests \$31.466 million) minus (disposal gain of \$6.444 million less 18% tax).

ABOUT KS ENERGY SERVICES LIMITED

A Globally Accredited and Integrated Oil & Gas Services Provider

KS Energy Services Limited (“KS Energy”) is one of the leading integrated oilfield supply and services providers to the global oil & gas (“O&G”), marine 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 of parts and components, capital equipment charter and provision of drilling and rig management services. KS Energy, together with Aqua-Terra Supply Co., Limited (“Aqua-Terra” or “ATS”) and SSH Corporation Ltd (“SSH”) distribute more than 60,000 line items and represent more than 300 globally accredited brands

Through its wholly-owned subsidiary Atlantic Oilfield Services Ltd (“AOS”), an internationally accredited drilling and rig-management company, KS Energy now has the capability to supply, as well as operate capital equipment, including on-shore and off-shore rigs. By combining the complementary 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 and tender for high value and high margin projects. Headquartered in Singapore, KS Energy’s geographic reach spans South East Asia, China, Middle East, North Sea, Europe and USA.

About Atlantic Oilfield Services Ltd (“AOS”)

Operating from Dubai, AOS is a wholly-owned subsidiary of Singapore mainboard listed KS Energy. AOS provides drilling and rig management services to major oil companies for their operations in the North Sea, Mediterranean, Africa and Middle East. AOS is led by an experienced management team. The top management each have more than 20 years in the oil and gas industry. Ranked amongst the internationally accredited drilling contractors and rig managers, AOS is recognised by international oil majors and accredited to undertake contracts in harsh environments like the North Sea.

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