



KS ENERGY SERVICES LIMITED

(Company Registration No. 198300104G)

INCREASE IN THE INVESTMENT OF A WHOLLY-OWNED SUBSIDIARY, KS FLOW CONTROL PTE LTD

The Board of Directors of KS Energy Services Limited (“KS Energy” or the “Company”) wishes to refer to its announcement of 2 April 2007 in relation to the Acquisition of a Singapore Shelf company, KS Flow Control Pte Ltd (“KS Flow Control”).

Further to the said announcement, the Company has increased its investment in KS Flow Control on 20 June 2007 from S\$1.00 to S\$25,000,000.00 by way of the subscription of 20,000,000 shares in the capital of KS Flow Control and a loan of S\$5,000,000.00.

The purpose of the establishment of KS Flow Control is to consolidate the business carried on by the Instrumentation and Hydraulic Division and Valve Division of the Group.

The abovementioned transaction was funded by internal resources.

The abovementioned transaction is not expected to have any material effect on the earnings per share and net tangible assets per share of the Company for the financial year ending 31 December 2007.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect on the abovementioned transaction.

By Order of the Board
Lawrence Kwan
Company Secretary
Date: 26 October 2007

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. Formerly known as KS Tech Ltd, KS Energy was listed on SGX-SESDAQ on 6 August 1999 and subsequently upgraded to the Mainboard of the Singapore Exchange on 11 March 2002.

In 2003, KS Energy embarked into the rig and capital equipment refurbishment and rental business. Supported by its abilities to procure, supply and charter upgraded capital assets under long term service agreements to top tier O&G companies including BP, Maersk and CNOOC, KS Energy was able to establish a strong reputation in the O&G industry within a relatively short period of time.

Following the acquisition of Atlantic Oilfield Services Ltd in May 2007, KS Energy now has the capability to supply, as well as operate the capital equipment, including on-shore and off-shore rigs. Effectively, it has nudged itself up the value chain and transformed into a full service provider by offering value-added services directly to O&G companies. It has a combined fleet of 20 on-shore and off-shore rigs and vessels operating across an extensive geographical region

encompassing South East Asia, China, the Middle East, the North Sea, Europe and the USA.

In addition, KS Energy also distributes more than 60,000 O&G related products comprising more than 140 international brands. Together with two other Singapore listed companies under its umbrella - Aqua-Terra Supply Co. Limited, a leading supplier of O&G consumables; and SSH Corporation Ltd, a leading supplier of industrial products for the energy sector, KS Energy ranks among the largest distributors of O&G equipment, spare parts, consumables and industrial products in the region.