



KS ENERGY SERVICES LIMITED

(Company Registration No. 198300104G)

NEWS RELEASE

**Four-Year Charter Of Two Land Rigs
For US\$10.8 Million**

Singapore, 17 April 2006 - Singapore Exchange Mainboard-listed KS Energy Services Limited (“KS Energy” or the “Group”), an energy services group, is pleased to announce that it will establish a joint venture (the “JV Company”) with Tat Hong Holdings Ltd (“Tat Hong”) to charter two land rigs (“Rigs”) to a China National oil company. The total value of the charter contracts is approximately US\$10.8 million over 4 years, comprising an initial term of 2 years with an option to extend for another 2 years. In addition to leasing the Rigs, KS Energy intends to supply parts and related services to support their subsequent operations.

The JV Company will finance the land rigs with shareholders’ equity as well as bank borrowings. In addition to securing the contracts, KS Energy will play a key role in procurement, installation, commissioning and the subsequent management of the Rigs. Tat Hong, with its expertise in heavy equipment, will provide back up support in the maintenance of the Rigs. Profit distribution will be effected on a 70% (KS Energy) to 30% (Tat Hong) basis.

Mr Chew Thiam Keng, the Managing Director of KS Energy commented, “As oil companies step up their exploration and production activities around the world, the demand for capital equipment in both land and offshore operations will remain robust. Expanding on the Group’s expertise in procurement, charter and management of capital equipment, we seek to selectively own capital equipment by deploying our cash holding for higher returns.”

Scheduled for delivery in the second half of FY2006, the Rigs are currently under construction in China. At the end of the charter period with the mutual consent of the China National oil company, the JV Company as owner of the Rigs will be able to re-deploy the assets for use in 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.

About KS Energy Services Limited (“KS Energy”)



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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.

Contact Information

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