



KS ENERGY SERVICES LIMITED

(Company Registration No. 198300104G)

NEWS RELEASE

KS ENERGY'S LAND RIGS' CONTRACTED VALUE ROSE TO S\$140 MILLION WITH LATEST CONTRACT FOR ITS NEWLY ACQUIRED DISCOVERER IV LAND RIG

SINGAPORE, 22 July 2008 – Mainboard listed KS Energy Services Ltd. ("KS Energy" or the "Group") is pleased to announce that its wholly-owned subsidiary Atlantic Oilfield Services Ltd ("AOS") has secured a drilling contract with a reputable international oilfield operator for the supply and management of its newly acquired 2000 hp land rig – the Discoverer-IV. The drilling contract, with a value of US\$16.95 million, is for a firm period of one year plus two 6-months renewal options. When the renewal options are exercised, the contract value will be increased to US\$ 30.40 million.

The Discoverer-IV, currently in the USA, is a new rig that has been acquired by KS Energy for US\$28.0 million. This rig is being prepared in Dallas for mobilization to Tunisia. The acquisition will be funded by a combination of internal resources and external financing.

Having secured a firm Letter of Intent from Thani Tunisia El-Jem B.V. earlier on 25 June 2008 for its 1500 hp Discoverer II land rig, the Discoverer-IV is the second contract that the Group has secured in Tunisia within a short period of time. These developments will strengthen the Group's presence in Tunisia and are in line with its strategy to expand into the Maghreb area.

KS Energy has been actively expanding its fleet of land rigs. Within a period of one year, the Group has secured contracts for its three 1500 hp land rigs, which were not previously employed. This latest contract is for the new 2000 hp land rig that the Group is acquiring. Together, all the four land rigs will generate revenue totalling US\$102.9 million (approx S\$ 140 million).

Commenting on the charter of Discoverer IV, Mr. Kris Wiluan – Chairman and CEO of KS Energy said; “Our priorities are to secure charter for the rigs in our fleet and to expand our fleet. At the same time, the Group is also continuing its efforts on divesting the balance of our non-core assets, which when completed will bring an additional US\$40 million back to the Group.”

In line with the Group’s plans to expand its fleet and reduce its bank borrowings, it recently proposed a 2-for-5 rights issue. This rights issue is substantially underwritten by Pacific One Energy and concerted parties and Kim Eng Securities Pte Ltd. When completed, this rights issue is expected to raise up to approximately S\$174 million for the Group.

“The strong demand from the oil and gas industry has created opportunities for KS Energy. We have to grow very quickly to capture these opportunities. On the other hand, businesses are facing the challenges of global credit curbs and uncertainties in the global financial markets. Therefore, it is important for us to balance our funding needs for our expansion plans and strike an optimal balance between debt and equity.” Mr. Wiluan added when commenting on KS Energy’s latest fund raising exercise.

ABOUT KS ENERGY SERVICES LIMITED

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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