

 [Print this page](#)
NEW RELEASE - KS ENERGY TURNS IN \$43.6 MILLION POST TAX NET PROFIT AMID CHALLENGING CONDITIONS IN THE GLOBAL O&G INDUSTRY * Financial Statement And Related Announcement


* Asterisks denote mandatory information

Name of Announcer *	KS ENERGY SERVICES LIMITED
Company Registration No.	198300104G
Announcement submitted on behalf of	KS ENERGY SERVICES LIMITED
Announcement is submitted with respect to *	KS ENERGY SERVICES LIMITED
Announcement is submitted by *	Shirley Lim
Designation *	Company Secretary
Date & Time of Broadcast	12-Feb-2010 07:11:19
Announcement No.	00005

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2009
Description	Please see attached

Attachments
 [News_Release_4Q_Results_Announcement.pdf](#)
 Total size = **61K**
 (2048K size limit recommended)

[Close Window](#)

NEWS RELEASE

KS Energy turns in \$43.6 million post tax net profit amid challenging conditions in the global O&G industry

- Revenue in FY2009 amounted to \$489.8 million
- Net profit after tax totaled \$43.6 million
- Bank borrowings reduced from \$345.5 million to \$308.3 million
- Net gearing improved from 0.76 times to 0.58 times
- Cash and cash equivalents rose from \$68.3 million to \$72.2 million

SINGAPORE, 12 February 2010 – Main board listed integrated energy services provider – KS Energy Services Limited (“KS Energy” or the “Group”) today reported revenue of \$489.8 million and net profit after tax of \$43.6 million for the financial year ended 31 December 2009 (“FY09”).

The financial performance of the Group was affected by lingering effects of the global economic crisis that prevailed throughout the 2009 financial year. As a result of the sluggish economic conditions in the oil and gas industry, both the Group’s Distribution and Drilling and Capital Equipment Charter businesses reported weaker performance. In FY09, revenue from the Distribution business amounted to \$241.5 million (FY08: \$361.8 million) while Drilling and Capital Equipment Charter division turned in revenue of \$248.4 million (FY08: \$249.2 million). Included in the latter’s revenue is the contribution from the sale of a non-core asset (Harta 1), which amounted to \$26.1 million.

The Distribution business also reported lower operating profit, which amounted to \$22.6 million compared to \$30.7 million in the previous financial year. Operating profit from the Drilling and Capital Equipment Charter business amounted to \$27.9 million compared to \$57.1 million in FY08.

As at 31 December 2009, revenues from Distribution and Drilling and Capital Equipment Charter accounted for 49.3% and 50.7% of the Group’s revenue respectively. By operating profits, contribution from Distribution accounted for 44.8% of the Group’s profits and the balance of 55.2% from the Drilling and Capital Equipment Charter business.

Cost control measures implemented during the year gave rise to lower operating expenses. Total operating expenses decreased from \$93.4 million to \$69.8 million, representing a reduction of 25.3%. Total bank borrowings also decreased from \$345.5 million to \$308.3 million due to the repayment of bank borrowings during the year. With lower bank borrowings, financing costs were also lower,

decreasing from \$25.8 million to \$17.0 million. On the other hand, cash and cash equivalents rose from \$68.3 million to \$72.2 million. Net gearing stood at 0.58 times, an improvement from 0.78 times reported in the previous financial year.

Into the new financial year, the Group is cautiously optimistic about its prospects as global economic recovery remains uncertain. Nonetheless, ongoing integration and consolidation efforts will continue to ensure that its operations are ready to tap into new future opportunities. Following the major step taken to integrate its Distribution business in FY09, it will also be reviewing its Drilling and Capital Equipment business to better align resources and improve operating efficiency.

“The current consolidation presents an opportunity for us to reorganize and integrate our operations so that they are ready for the new prospects ahead when global economic recovery picks up speed. I am optimistic about the longer term outlook for the oil and gas industry as energy will continue to play a key role in fuelling the world’s growth,” commented Mr. Kris Wiluan, Chairman and CEO of KS Energy.

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, 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 and SSH Corporation Ltd, 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 is now a proven operator providing capital equipment, rig management and drilling services directly to major oil companies for their onshore and offshore production needs. KS Energy's geographic reach spans South East Asia, the Middle East, the Mediterranean, Africa, the North Sea, the European Union and the USA. The KS Energy Group has a workforce of more than 1,000 employees across the world.

For enquiry, please contact:

Tan Peck Hwa

Tel: + 65 9635 4996

Email: tphcomms@singnet.com.sg