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PROPOSED ISSUE OF NEW CONVERTIBLE BONDS – SGX-ST APPROVAL IN-PRINCIPLE

Capitalised terms used herein shall have the definitions ascribed to them in the announcements dated 26 January 2010 and 1 February 2010 on the proposed issue of New Convertible Bonds, unless otherwise stated or the context otherwise requires.

The Board of Directors ("**Board**") of KS Energy Services Limited ("**Company**") refers to its announcements dated 26 January 2010 and 1 February 2010 relating to the Company's entry into a purchase agreement with TAEI One Partners Ltd, acting in its capacity as General Partner of The Asian Entrepreneur Legacy One L.P., under which the Company may issue up to an aggregate of S\$107,000,000 in principal amount of the New Convertible Bonds and the Other Convertible Bonds.

SGX-ST APPROVAL IN-PRINCIPLE

The Board wishes to announce that the Company has, on 17 February 2010, received the in-principle approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of up to 31,250,000 new ordinary shares in the capital of the Company to be issued upon conversion of the New Convertible Bonds ("**Conversion Shares**"), and such further Conversion Shares to be allotted and issued by the Company pursuant to any adjustments made to the conversion price of the New Convertible Bonds pursuant to the Conditions.

The in-principle approval of the SGX-ST for the listing and quotation of the Conversion Shares was granted subject to the following conditions:

- (1) Compliance with the SGX-ST's listing requirements;
- (2) Announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which New Convertible Bonds may be redeemed; and
- (3) Submission of the following to the SGX-ST:
 - (a) A written undertaking from the Company that it will make periodic announcements on the use of the proceeds from the proposed placement and conversion of the New Convertible Bonds, and that it will provide a status report on the use of the proceeds in its annual report;
 - (b) A written undertaking from the Company that it will not allow and issue the New Convertible Bonds so as to transfer a controlling interest in the Company without the prior approval of the Company's shareholders in a general meeting;

- (c) A written confirmation from the Company that it will not place the New Convertible Bonds to persons prohibited under Rule 812(1) of the Listing Manual of the SGX-ST;
- (d) A written undertaking from the Company to announce any adjustment made to pursuant to Listing Rule 829(1) (adjustments made to the conversion price of the New Convertible Bonds and, where appropriate, the number of Conversion Shares comprised in the bonds in the event of rights, bonus or other capitalization issues); and
- (e) A written confirmation from the Company that the terms of the New Convertible Bonds comply with Listing Rule 829(1).

A summary of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which the New Convertible Bonds may be redeemed, have been set out in the Company's announcements dated 26 January 2010 and 1 February 2010.

The in-principle approval of the SGX-ST for the listing and quotation of the Conversion Shares is not to be taken as an indication of the merits of the New Convertible Bonds, the Conversion Shares, the Company and/or its subsidiaries.

BY ORDER OF THE BOARD

Shirley Lim
Company Secretary
17 February 2010

IMPORTANT NOTICE

There are specific legal or regulatory offer and distribution restrictions in relation to the New Issue in certain jurisdictions, including without limitation, the United States, Italy, United Kingdom, Belgium, France, Hong Kong and Singapore.

This Announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, New Convertible Bonds or Conversion Shares or to take up any entitlements to New Convertible Bonds or Conversion Shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful. Shareholders should note in particular that the New Convertible Bonds and the Conversion Shares may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933 (the "**Securities Act**")) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

The distribution of this Announcement and the offering circular to be issued by the Company in connection with the New Issue ("**Offering Circular**") into jurisdictions other than Singapore may be restricted by law and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. Persons into whose possession this Announcement and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Shareholders should note in particular that this Announcement and the Offering Circular are not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia) and do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The New Convertible Bonds and the Conversion Shares mentioned herein have not been, and will not be, registered under the Securities Act.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

The Company and the Subscriber assume no responsibility in the event there is a violation by any person of the above restrictions.