



NEWS RELEASE

KS Energy reports 107% jump in first quarter net profit after tax

- Net profit after tax rose 107.4% from \$5.3 million to \$11.1 million
- Revenue rose 69.6% from \$63.5 million to \$107.7 million
- Optimistic about FY2008 performance.

SINGAPORE, 15 May 2008 – Mainboard listed KS Energy Services Limited (“KS Energy” or the “Group”) announced strong financial performance for the financial quarter ended 31 March 2008.

KS Energy continues to integrate and expand its services for both its capital equipment and services business and distribution business. 1Q FY2007 saw the completion of the acquisition of KS Medstar-1, a 300-foot cantilever jackup rig. This rig secured a US\$130 million time charter in March 2008, and it commenced operation in April 2008 in the Mediterranean Sea. At the same time, the Discoverer III, a 1500 horse power land rig, which secured a US\$22.5 million contract, also commenced operation in the Badin Field in Pakistan for British Petroleum.

At the close of 1Q FY2008, the Group reported a 69.6% increase in revenue, which rose from \$63.5 million (1Q FY2007) to \$107.7 million. Gross profit margins were also higher this quarter, rising from 26.5% (1Q FY2007) to 35.6% and net profit after tax and minority interest jumped 107.4%, rising from \$5.3 million (1Q FY2007) to \$11.1 million at the close of the quarter under review.



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Commenting on the performance of the KS Energy group of companies, Mr. Kris Wiluan, Chairman and CEO says: “Integrating a large group of companies will take time. It is not only the hardware but more importantly, we have to be mindful of the needs and concerns of the people working for the Group. It is through the team work, dedication, commitment and trust from all our employees that we are able to deliver the strong results that we are reporting today. I am pleased with the performance of KS Energy in this quarter. As our operations become increasingly seamless and efficient, we are confident of our ability to constantly improve our performance and deliver value to our stakeholders.”

Both the capital equipment and services business and the distribution business turned in strong performance this quarter. The improvement in the gross profit margin is mainly due to the higher margin contribution from the capital equipment and services business and distribution business. Included in the Group’s revenues this quarter is the first stream of revenue contribution from Atlantic Oilfield Services (“AOS”), a wholly-owned subsidiary of the Group that was acquired in May 2007.

Corresponding to the higher business activities, operating expenses were also higher this quarter. The accounts of AOS were also consolidated into the Group’s operating expenses this quarter. At the Group level, total operating expenses in 1Q FY2008 reported an increase of 89.0% or \$10.5 million, rising from \$11.8 million (1Q FY2007) to \$22.3 million.

Non-current bank borrowings saw a \$30.5 million reduction due to the repayment of loans undertaken for asset acquisition. On the other hand, funding requirements of capital equipment and services projects resulted in an increase in current bank borrowings, which reported a \$61.1 million increase. At the close of the quarter, the Group’s gearing stood at approximately 1.57 times.

The KS Energy Group benefited from the prevailing strong demand in the oil and gas, petrochemical, marine and infrastructure industries. Over the last twelve months, the transformation of KS Energy into an integrated oilfield equipment supply and services provider has also attracted professionals from different cultural backgrounds with different skills and capabilities into the Group. The team has integrated well and the members are supporting and co-ordinating with each other closely in the countries where the Group operates.

The integration efforts, which commenced more than a year ago, have strengthened the Group, enabling all the entities to share knowledge, market intelligence, customer-base and a rapidly expanding geographic network.



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In Singapore, by the second half of 2008, the integration efforts will culminate into a 55,000 square metres office and warehouse facilities that will house the operations of KS Energy, Aqua-Terra Supply Co., Ltd and SSH Corporation Ltd. Working in the new facilities located in Jurong Port Road, will bring the Group closer together and achieve better cost and operational efficiencies.

On the prospects of KS Energy in FY2008, Mr. Wiluan said: “The oil and gas landscape is vibrant and oil companies are increasing their exploration and production capital expenditures to meet the escalating energy demand. As an integrated oilfield supply and services hub, we are well-positioned to meet a broad spectrum of our customers’ needs. Furthermore, our ability to provide capital equipment and drilling services will enable us to work directly with the major oil companies and participate in high-value and high-margin projects. In view of the strong operating environment, we are confident that KS Energy will continue to perform well and show positive results.”

ABOUT KS ENERGY SERVICES LIMITED (“KS ENERGY”)

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. 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 and capital equipment charter and services. For its distribution business, KS Energy ranks as one of the leading distributors of oil and gas equipment, spare parts, consumables and industrial products in the region. Together with Aqua-Terra Supply Co., Limited (“Aqua-Terra” or “ATS”) and SSH Corporation Ltd (“SSH”), the KS Energy group distributes more than 60,000 oil and gas related products comprising more than 140 international brands of products.

Following the acquisition of Atlantic Oilfield Services Ltd (“AOS”) in May 2007, KS Energy now has the capability to supply, as well as operate capital equipment, including on-shore and off-shore rigs. Integrating the twin 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, tendering for high value and high margin projects. Currently, KS Energy has a fleet of 20 capital assets. Headquartered in Singapore, it has a geographical reach spanning South East Asia, China, the Middle East, the North Sea, Europe and the USA.

For more information, please visit our website: www.ksenergy.com.sg



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