

Registered Office:
141-147 Jubilee Highway West, Mount Gambier, SA 5290
PO Box 567, Mount Gambier, SA 5290
Tel: (08) 8721 1700 Fax: (08) 8721 1799

23 November 2010

K&S ANNOUNCES NON-RENOUNCEABLE ENTITLEMENT OFFER

K&S Corporation Limited (“K&S”) is pleased to announce that it will conduct an underwritten non-renounceable entitlement offer to raise up to \$26.4 million (“Entitlement Offer”).

The Offer is underwritten fully by Taylor Collison Limited (“Underwriter”) stockbrokers with the strong support of K&S’ existing institutional shareholders and new institutional investors. Any new shares not taken up by shareholders will be acquired by the Underwriter subject to the terms of the Underwriting Agreement.

USE OF PROCEEDS

Proceeds from the Entitlement Offer will be used to repay borrowings relating to the recent acquisitions of Pacific Transport and the Regal Transport Group, for general working capital requirements and to provide flexibility to pursue future expansion initiatives. K&S continues to capitalise on opportunities to grow market share in key markets and is actively targeting further opportunities in the Western Australian oil and gas and resources sectors.

K&S Managing Director, Mr Legh Winsler, said “This capital raising will enhance K&S’s balance sheet flexibility to ensure the Company is well positioned to continue to pursue growth in new and existing markets. The Board is pleased to offer our shareholders an opportunity to participate in this important capital management initiative.”

ENTITLEMENT OFFER TERMS

The Entitlement Offer provides an opportunity for all eligible K&S’s shareholders to subscribe for new shares in K&S.

The Entitlement Offer will be conducted at a price (“Offer Price”) of \$2.15 per entitlement, on the basis of one new K&S fully paid ordinary share (“New Shares”) for every six existing K&S ordinary shares (“Shares”) held at 7:00pm (AEDT) on 2 December 2010 (“Record Date”) by K&S shareholders with a registered address in Australia or New Zealand.

K&S is also offering shareholders the opportunity to apply for New Shares at the Offer Price in addition to their entitlements (“Additional Shares”). In the event that there is a shortfall in applications under the Entitlement Offer, K&S, subject to the terms of the Underwriting Agreement, reserves the right to allocate any shortfall of New Shares to subscribers for Additional Shares at its sole and absolute discretion. There is no guarantee that applicants will be successful in being allocated any of the Additional Shares for which they may apply. K&S may reject any application for Additional Shares or allocate fewer New Shares than applied for by subscribers for Additional Shares.

The Offer Price represents a 14.0% discount to K&S’s last closing price of \$2.50 on 22 November 2010 and an 11.5% discount to the volume weighted average price of K&S shares traded on ASX on the five trading days ending on 22 November 2010 of \$2.43.

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K&S's major shareholder, A.A. Scott Pty Ltd, intends to participate in the Entitlement Offer to the extent required to see its post-Entitlement Offer shareholding equate to a minimum of 50.05% of the issued share capital of K&S. A.A. Scott Pty Ltd's shareholding prior to the Entitlement Offer comprised 55.03% of the issued share capital of K&S. Accordingly, A.A. Scott Pty Ltd will take up at least \$5.332 million in New Shares under the Entitlement Offer.

All Directors of K&S intend to participate in the Entitlement Offer for all of their entitlements.

The entitlements are non-renounceable and will not be tradable on ASX or otherwise transferable. This means that K&S shareholders who do not take up their entitlements or who are not eligible to be offered entitlements will not receive any value for those entitlements and their equity interests in K&S will be diluted.

An Entitlement Offer booklet ("Entitlement Offer Booklet") will be lodged with ASX tomorrow and sent to eligible K&S shareholders on 6 December 2010. Please refer to the Entitlement Offer Booklet for further details on eligibility criteria and on how to subscribe for New Shares under the Entitlement Offer.

INDICATIVE ENTITLEMENT OFFER TIMETABLE

Event	2010
Lodgement of Entitlement Offer Booklet	Wednesday, 24 November
Record Date for Entitlement Offer	7:00pm, Thursday, 2 December
Entitlement Offer opens	Friday, 3 December
Despatch of Entitlement Offer Booklet	Monday, 6 December
Close of Entitlement Offer – last day for lodgement of entitlement and acceptance forms and payment	Monday, 20 December
Allotment of New Shares	5:00pm, Thursday, 30 December
Trading on ASX of New Shares on normal settlement basis	Friday, 31 December

Note: The above timetable is indicative only and is subject to change without notice. Subject to the requirements of the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws, K&S has the right to amend the timetable including to extend the closing date for the Entitlement Offer, to close the Entitlement Offer early, to withdraw the Entitlement Offer at any time prior to the allotment of New Shares under the Entitlement Offer and/or to accept late applications either generally or in specific cases. If the closing date is extended, the subsequent dates may also be extended. All times mentioned in the above timetable are references to AEDT. "Record Date" is the date used to determine the shareholders that will be entitled to participate in the Entitlement Offer.

SHAREHOLDER ENQUIRIES

Shareholders who have questions regarding the Entitlement Offer should call the K&S Shareholder Information Line on 1300 134 987 (local call cost within Australia) or +61 3 9415 4221 (from outside Australia) at any time from 8:30am to 5:30pm (AEDT) Monday to Friday during the Entitlement Offer period, or consult their stockbroker, accountant or other independent professional adviser.

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FOR FURTHER INFORMATION:

Mr Legh Winser
Managing Director
Ph: 0417 885 861
legh.winser@ksgroup.com.au

Mr Bryan Walsh
Chief Financial Officer
Ph: 0402 899 889
bryan.walsh@ksgroup.com.au

IMPORTANT INFORMATION**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933 (the "US Securities Act")) ("US Person"), or in any other jurisdiction in which, or to any other person to whom, such an offer would be illegal. This announcement may not be distributed in the United States or to, or for the account or benefit of, any US Person. Securities may not be offered or sold in the United States or to, or for the account or benefit of, any US Person, absent registration under the U.S. Securities Act of 1933 (the "US Securities Act") / US Securities Act or an exemption from the registration requirements of the US Securities Act. The securities to be offered and sold in the Placement and Entitlement Offer have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons unless the securities are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

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23 November 2010

The Manager
The Company Announcements Office
Australian Securities Exchange
Level 25
91 King William Street
Adelaide SA 5000

**K&S Corporation Limited (ASX: KSC)
Entitlement Offer**

K&S Corporation Limited (**K&S**) announced this morning that an underwritten non-renounceable entitlement offer to raise up to \$26.4 million (**Entitlement Offer**) would be offered to eligible K&S shareholders. The record date for the Entitlement Offer is 7:00pm (AEDT) on 2 December 2010.

The Entitlement Offer will be offered pursuant to section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) and in accordance with the requirements of section 708AA of the Corporations Act, K&S gives notice that:

1. K&S will make an offer to eligible shareholders to subscribe for one new fully paid ordinary shares (**New Shares**) for every six existing K&S ordinary shares under the Entitlement Offer at an offer price of \$2.15 per New Share and the issue of New Shares will be without disclosure under Part 6D.2 of the Corporations Act.
2. This notice is being given in accordance with section 708AA(2)(f) of the Corporations Act.
3. As at today's date, K&S has complied with the provisions of Chapter 2M of the Corporations Act as they apply to K&S and section 674 of the Corporations Act.
4. As at today's date, there is no excluded information concerning K&S, being information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the listing rules of the Australian Stock Exchange; and
 - (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of K&S; or
 - (ii) the rights and liabilities attaching to the New Shares or generally to the ordinary shares of K&S.

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5. The issue of New Shares under the Entitlement Offer is not expected to have any material effect or consequence on the control of K&S. At the date of this notice, A.A. Scott Pty Limited (**AA Scott**) owns approximately 55.03% of the ordinary shares in K&S. AA Scott's intention is to take up its entitlement (in whole or in part) to New Shares under the Entitlement Offer so as to obtain a minimum percentage holding of at least 50.05%.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'L. Winser', with a long horizontal line extending to the right.

Legh Winser
Managing Director

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

K&S CORPORATION LIMITED (K&S)

ABN

67007561837

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | The Entitlement Offer will result in a maximum of 12,294,675 (approximately) fully paid ordinary shares being issued. The precise number will be advised to ASX following closing of the Entitlement Offer. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The new shares will have the same terms as existing fully paid ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes. The new shares will rank equally with the existing fully paid ordinary shares from the date of allotment.</p>				
<p>5 Issue price or consideration</p>	<p>\$2.15 per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The net proceeds of the Entitlement Offer will be used to repay borrowings relating to the recent acquisitions of Pacific Transport and Regal Transport Group, for general working capital requirements, and to provide flexibility to pursue future expansion initiatives.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<ul style="list-style-type: none"> ▪ New shares are to be quoted on a deferred settlement basis on 21 December 2010. ▪ New shares are to be allotted on 30 December 2010. 				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1411 989 1467">Number</th> <th data-bbox="989 1411 1283 1467">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1467 989 1693">86,062,728 (approximately)</td> <td data-bbox="989 1467 1283 1693">Ordinary</td> </tr> </tbody> </table>	Number	+Class	86,062,728 (approximately)	Ordinary
Number	+Class				
86,062,728 (approximately)	Ordinary				

+ See chapter 19 for defined terms.

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	60,000	Non redeemable cumulative preference shares
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	As for existing fully paid ordinary shares	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	One new share for every six ordinary shares currently on issue.
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	7:00pm (AEDT) on 2 December 2010
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	5:00pm (AEDT) on 20 December 2010

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	Taylor Collison Limited
21	Amount of any underwriting fee or commission	1.75% of the funds to be raised under Entitlement Offer
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not Applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	6 December 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not Applicable
28	Date rights trading will begin (if applicable)	Not Applicable
29	Date rights trading will end (if applicable)	Not Applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)? Not Applicable
- 33 ⁺Despatch date 30 December 2010

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

--

39 Class of +securities for which
 quotation is sought

--

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

--

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

--

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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Appendix 3B
New issue announcement

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 23 November 2010
Company Secretary

Print name: Christopher Wyndham Bright

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+ See chapter 19 for defined terms.