

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

(I) PROPOSED CONSENSUAL SEPARATION OF JASPER EXPLORER AND SETTLEMENT WITH BONDHOLDERS; AND

(II) UPDATE ON SALE OF JASPER COSMOPOLITAN

The Board of Directors (the “**Board**”) of Jasper Investments Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 22 August 2014, 25 August 2014, 1 September 2014, 5 September 2014, 11 September 2014 and 3 November 2014 (the “**Previous Announcements**”). Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Previous Announcements.

I. Update on breach of financial obligations under the Bonds – Consensual Settlement with Bondholders and Separation of Jasper Explorer

The Board wishes to inform that further to the Previous Announcements, Nordic Trustee ASA has, in its capacity as the Trustee and pursuant to instructions from Bondholders representing a requisite majority of the Bonds, issued (i) a non-binding proposal dated 16 November 2014 setting out the indicative terms negotiated in good faith with the Management in respect of the settlement of the obligations of the relevant subsidiaries of the Company under the terms of the Bonds (the “**Consensual Separation Plan**”) which superseded (ii) a letter on behalf of the Bondholders dated 13 November 2014 (the “**Acceleration Letter**”) to Jasper Explorer.

A key focus of the Consensual Separation Plan is the transfer of Jasper Explorer Pte. Ltd. (“**JEPL**”) (the owner of the Jasper Explorer vessel) and and Jasper Drilling Pte. Ltd. (“**JDPL**”) to a special purpose vehicle controlled by the Bondholders (“**NewCo**”), to own and operate the Jasper Explorer vessel.

The Consensual Separation Plan

Following negotiations with the Management, the Trustee has issued the Consensual Separation Plan setting out, *inter alia*, the following indicative terms:

- (a) The Company will transfer its entire ownership in all of its subsidiaries to Borrelli Walsh Asset Management Limited (“**BWAM**”).
- (b) Two of the Obligors, JEPL and JDPL will be transferred from BWAM to Newco, to facilitate the continued operation of the Jasper Explorer vessel. The Bondholders will provide funding to NewCo sufficient to meet its near term funding requirements, which funds will be used to support the short term funding needs of JEPL and JDPL.

- (c) Paul Carsten Pedersen, the CEO of the Company will remain as a director of JEPL and JDPL, and it is contemplated that JEPL and JDPL will continue to employ Paul Carsten Pedersen and make him available to staff and crew of the Jasper Explorer vessel.
- (d) The Company will pay BWAM a fixed sum in respect of fees, costs and expenses incurred by BWAM in connection with the winding down of its transferred subsidiaries other than JEPL and JDPL (the “**Retained Group**”).
- (e) Any recoveries from the Retained Group will be distributed amongst BWAM and NewCo.
- (f) Out of the US\$6 million in aggregate principal amount of the Bonds currently held by the Group, it is proposed that the Company will procure the transfer of US\$3 million in aggregate principal amount of such Bonds to NewCo, and retain the balance.

Pursuant to the Consensual Separation Plan, the relevant subsidiaries of the Company shall be discharged from their respective obligations under the terms of the Bonds.

The Board is, and the Company’s majority shareholder Morton Bay (Holdings) Pte Ltd (holding an interest of approximately 80.8% in the issued shares of the Company) has indicated that it is, in principle, supportive of a consensual transfer of the Company’s subsidiaries pursuant to the Consensual Separation Plan.

The Board intends to undertake further discussions with the Trustee and/or the Bondholders in the interests of finalising the Consensual Settlement Plan and entering into definitive agreements in this regard.

The Acceleration Letter

Under the Acceleration Letter, the Trustee had given notice to Jasper Explorer of, *inter alia*, the following:

- (a) The Standstill (as previously announced by the Company on 11 September 2014) had been terminated with immediate effect.
- (b) The Trustee had, on the instruction of Bondholders representing a requisite majority of the Bonds and under the terms of the Bonds, declared the Bonds (including interest and costs) to be in default and due for immediate repayment (the “**Acceleration**”).
- (c) The Trustee had been instructed by the Bondholders to exercise certain rights under the share charges dated 3 June 2011 granted by Jasper Explorer over the shares of JEPL and JDPL (collectively, the “**Explorer Subsidiary Share Charges**”) in connection with the Bonds.

Under the terms of the Explorer Subsidiary Share Charges, the Trustee is entitled to exercise or direct the exercise of the voting and other rights attached to any share in each of JEPL and JDPL in such manner as it sees fit (the “**Explorer Subsidiary Voting Rights**”). On the basis that an event of

default has occurred and is continuing, the Trustee gave notice on 11 November 2014 that, *inter alia*, Jasper Explorer has no further power to exercise rights with respect to the foregoing, save with the prior consent of the Trustee. Pursuant to the Acceleration Letter, the Trustee exercised the Explorer Subsidiary Voting Rights to procure the passing of the requisite shareholder resolutions to, *inter alia*, replace certain directors of JEPL and JDPL with representatives nominated by the Trustee with effect from 13 November 2014. Paul Carsten Pedersen remains a director of JEPL and JDPL and the employees of JDPL remain unchanged.

Notwithstanding the foregoing, in light of the discussions around the Consensual Separation Plan, the Trustee had expressed through its legal advisers that, *inter alia*:

- (a) Although the debt under the Bonds has been formally accelerated pursuant to the Acceleration Letter, the Trustee is not seeking immediate repayment of the amount due under the Bonds (subject to further notice).
- (b) No demand has been made under the guarantees provided by Jasper Offshore (Cyprus) Ltd., JEPL and JDPL in connection with the Bonds.
- (c) No steps have been taken to remove Paul Carsten Pedersen from the board of directors of JEPL or JDPL.
- (d) Notwithstanding the issue of the Acceleration Letter and exercise of rights under the Explorer Subsidiary Share Charges by the Trustee, the Bondholders remain focused on facilitating the commercial settlement in the form of the Consensual Separation Plan.

II. Jasper Cosmopolitan – Non-fulfilment of various conditions in respect of the Proposed Disposal of the Jasper Cosmopolitan Vessel

The Board wishes to inform that, further to the Company's announcement dated 3 November 2014 in respect of the Proposed Disposal of the Vessel, as at the date of this announcement: (i) the Purchaser has not lodged the Deposit, and (ii) the Purchaser has not inspected the Vessel and as such has not issued the Notice of Acceptance.

As previously announced, the obligations of Jasper Cosmopolitan under the MOA are conditional upon the lodgment of the Deposit, as failure by the Purchaser to lodge the Deposit in accordance with the MOA will constitute an event of default by the Purchaser. Additionally, in the event that the Notice of Acceptance is not received by 7 November 2014, the MOA shall be null and void.

In light of the foregoing, Jasper Cosmopolitan will no longer be proceeding with the Proposed Disposal pursuant to the MOA.

Further announcements will be made on any material developments on the foregoing matters, as and when appropriate.

In the meantime, Shareholders are advised to exercise caution when dealing in the securities of the Company and refrain from taking any action in relation to their securities which may be prejudicial to their interests.

BY ORDER OF THE BOARD

Paul Carsten Pedersen
Chief Executive Officer
19 November 2014