PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)
(the "**Company**")

UPDATE ON RESTRUCTURING PROCESS

The Company refers to previous announcements made on 1 July 2016, 10 August 2016, 17 August 2016, 9 September 2016, 14 September, 29 September 2016 and 30 September 2016 with respect to the new initiatives in the Company's restructuring process.

As announced on 29 September 2016, Maybank filed a petition, with the support of Rabobank, in the Supreme Court of Bermuda (Bermuda Court) to wind up the Company, in addition to, without notice, an application for the appointment of provisional liquidators over the Company to be heard on 30 September 2016. As a result of the Company obtaining protection through its Chapter 11 filings on 29 September 2016, the Bermuda Court adjourned the hearing of the petition indefinitely on 30 September 2016.

As announced on 1 July 2016, Sahara Investment Group Private Limited ("**Sahara**"), a creditor of Richtown Development Limited ("**Richtown**"), a wholly-owned subsidiary of the Company, had applied to the High Court of the British Virgin Islands with the consent of both parties for the appointment of a joint provisional liquidator ("**JPL**") over Richtown in contemplation of a restructuring of the debts of Richtown. Given that Richtown, the main asset of the Company, will now have the opportunity to benefit from the restructuring of the Company under Chapter 11 in the US, on 10 October 2016, the BVI Court discharged the JPL over Richtown at the request of Sahara and with the consent of Richtown.

The Company will continue to engage and work closely with all creditors, including bondholders, to achieve the best possible consensual restructuring for all interested parties. The intention is to lay a foundation for long-term stability and success for the future.

The Company will continue to provide regular updates on any material developments.

By Order of the Board

Ng Puay Yee (Jessie)
Executive Chairman
12 October 2016