



**EZRA HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199901411N)

---

**THE PROPOSED DIVESTMENT OF PV KEEZ PTE. LTD. TO  
PETROFIRST INFRASTRUCTURE 2 LIMITED**

---

**1. INTRODUCTION**

**1.1 Entry into the Proposed Transaction**

The Board of Directors (the “**Board**”) of Ezra Holdings Limited (the “**Company**”) is pleased to announce that the Company and EMAS Offshore Production Services (Vietnam) Pte. Ltd.<sup>1</sup> (“**EOPS**”, together with the Company, the “**Vendors**”), have today entered into a binding share purchase agreement (the “**Agreement**”) with PetroFirst Infrastructure 2 Limited (the “**Purchaser**”) in relation to the proposed divestment of PV Keez Pte. Ltd. (“**PV Keez**”) by the Vendors to the Purchaser (the “**Proposed Transaction**”), details of which are set out below.

**1.2 Overview of the Proposed Transaction**

Based on the Agreement, the Proposed Transaction comprises the following:

1.2.1 the Company will restructure its shareholdings in PV Keez such that prior to Completion (as defined below), the Company will hold (i) 57,389,343 issued ordinary shares (the “**Ezra Ordinary Shares Interest**”) in the capital of PV Keez (“**Ordinary Shares**”), representing approximately 38.26 per cent.<sup>2</sup> of the issued and paid-up Ordinary Shares and (ii) 25,610,657 issued redeemable cumulative preference shares (the “**Ezra RCPS Interest**”, together with the Ezra Ordinary Shares Interest, the “**Ezra Disposal Interest**”) in the capital of PV Keez (“**RCPS**”), representing approximately 91.47 per cent.<sup>3</sup> of the issued and paid-up RCPS;

---

<sup>1</sup> EOPS is a wholly-owned subsidiary of EMAS Offshore Limited (“**EMAS**”), which is dual-listed on Oslo Børs and the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Company is the holding company of EMAS, holding approximately 75.46 per cent. of the issued ordinary shares in the capital of EMAS (excluding treasury shares).

<sup>2</sup> In this Announcement, unless otherwise stated, all percentages calculated with reference to the aggregate number of Ordinary Shares are computed based on the aggregate Ordinary Shares in issue of 150,000,000 Ordinary Shares (excluding treasury shares) as at the date of this Announcement based on the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”) business profile of PV Keez and is rounded to the nearest two decimal places.

<sup>3</sup> In this Announcement, unless otherwise stated, all percentages calculated with reference to the aggregate number of RCPS are computed based on the aggregate RCPS in issue of 28,000,000 RCPS (excluding treasury shares) as at the date of this Announcement based on the ACRA business profile of PV Keez and is rounded to the nearest two decimal places.

- 1.2.2 the Company will sell to the Purchaser the Ezra Disposal Interest (the “**Ezra Disposal**”);
- 1.2.3 EOPS will sell to the Purchaser 62,610,657 Ordinary Shares held by EOPS (the “**EOPS Disposal Interest**”, together with the Ezra Disposal Interest, the “**Disposal Interest**”), representing approximately 41.74 per cent. of the issued and paid-up Ordinary Shares (the “**EOPS Disposal**”);
- 1.2.4 the Vendors will grant to the Purchaser a put option (the “**Put Option**”) in respect of all the shares in PV Keez held by the Purchaser (or its permitted transferee) as at the Option Completion Date (as defined below) (the “**Option Shares**”) exercisable upon the occurrence of an Option Event (as defined below); and
- 1.2.5 the Purchaser will grant to the Vendors a call option (the “**Call Option**”) in respect of all the shares in PV Keez held by the Purchaser (or its permitted transferee) as at the Option Completion Date (also, the “**Option Shares**”) exercisable upon the occurrence of an Option Event.

### 1.3 Shareholder Approval

The Ezra Disposal constitutes a major transaction as defined in Chapter 10 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) (details of which are set out in paragraph 7 of this Announcement). Accordingly, the Ezra Disposal, the Put Option and the Call Option are subject to the approval of the shareholders of the Company (“**Shareholders**”).

### 1.4 Irrevocable Undertakings

In connection with the Proposed Transaction, Mr Lee Kian Soo, Mr Lee Chye Tek Lionel and Jit Sun Investments Pte Ltd (collectively, the “**Undertaking Shareholders**”) have today provided irrevocable undertakings (the “**Irrevocable Undertakings**”) in favour of the Company to vote and/or procure their nominees to vote in favour of the resolution(s) to approve the Ezra Disposal, the Put Option and the Call Option in respect of the issued ordinary shares in the capital of the Company (“**Shares**”) held by each of the Undertaking Shareholders as at the date of the Irrevocable Undertakings. As at the date of this Announcement, the Undertaking Shareholders hold in aggregate 716,278,488 Shares, representing approximately 24.37 per cent.<sup>4</sup> of the issued and paid-up Shares.

---

<sup>4</sup>

In this Announcement, unless otherwise stated, all percentages calculated with reference to the aggregate number of Shares are computed based on the aggregate Shares in issue of 2,938,961,097 Shares (excluding treasury shares) as at the date of this Announcement and is rounded to the nearest two decimal places.

## **2. INFORMATION ON THE PURCHASER AND PV KEEZ**

### **2.1 Information on the Purchaser**

The Purchaser is a private company incorporated on 30 June 2016 under the laws of Jersey, pursuant to a joint venture between First Reserve, a leading global private equity and energy infrastructure investment firm focused exclusively on energy, and Petrofac, a leading international service provider to the oil & gas production and processing industry quoted on the London Stock Exchange. The joint venture was established to deploy capital in certain energy infrastructure projects.

As at the date of this Announcement, the joint venture includes two floating, production, storage and offloading vessels and a mobile offshore production unit vessel.

### **2.2 Information on PV Keez**

PV Keez is a private limited company incorporated on 28 October 2009 under the laws of Singapore. PV Keez owns the floating, production, storage and offloading vessel named "Lewek EMAS" (the "FPSO"). The FPSO is chartered to Premier Oil Vietnam Offshore B.V. (the "Charterer") pursuant to a charter agreement entered into with PV Keez, and it is currently operating on Vietnam's Chim Sao oil project.

As at the date of this Announcement, the directors of PV Keez are:

- (i) Lai Kai Jin (Chairman);
- (ii) Chia Hock Chye, Michael (Board Member);
- (iii) Pham Viet Anh (Board Member); and
- (iv) Edmund Mah Soot Khiang (alternate director to Chia Hock Chye, Michael).

As at the date of this Announcement, PV Keez has a total issued and paid-up share capital of US\$178,000,000, comprising 150,000,000 Ordinary Shares and 28,000,000 RCPS.<sup>5</sup>

## **3. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION**

### **3.1 Sale and Purchase of the Disposal Interest**

Under the terms of the Agreement, on and subject to Completion:

3.1.1 the Company shall sell and the Purchaser shall purchase the Ezra Disposal Interest;  
and

3.1.2 EOPS shall sell and the Purchaser shall purchase the EOPS Disposal Interest,

---

<sup>5</sup> Based on the ACRA business profile of PV Keez.

in each case, with full title guarantee and together with all rights and advantages attaching or accruing to them as at the completion of the sale and purchase of the Disposal Interest (“**Completion**”).

### 3.2 Aggregate Consideration

3.2.1 Under the terms of the Agreement, subject to the adjustments in accordance with paragraph 3.3 of this Announcement, the aggregate consideration payable by the Purchaser to the Vendors for the Disposal Interest is approximately US\$166,345,000 (the “**Aggregate Consideration**”), to be satisfied by the Purchaser in the following manner:

- (i) an amount in cash equal to US\$68,940,000, less:
  - (a) the aggregate amount of the shareholders’ loan made by the Vendors to PV Keez including all accrued interest outstanding as at 31 May 2016, amounting to US\$12,765,000 (the “**May Shareholder Loans**”); and
  - (b) any dividends which are accrued and unpaid on the RCPS immediately prior to Completion including any amount arising in respect of the dividend period which is current as at immediately prior to Completion, which as at the date of this Announcement, amounts to approximately US\$9,830,000 (the “**Accrued Preferential Dividends**”),

(the “**Completion Amount**”), payable to the Vendors upon Completion; and
- (ii) a deferred consideration of US\$120,000,000 (the “**Deferred Consideration**”) payable to the Vendors after Completion.

3.2.2 The May Shareholder Loans and the Accrued Preferential Dividends will be paid by PV Keez to the relevant Vendor on Completion in accordance with the terms of the Agreement.

3.2.3 The breakdown of the Aggregate Consideration attributable to each of the Company (the “**Ezra Consideration**”) and EOPS (the “**EOPS Consideration**”) is set out below:

Vendor	Relevant interest acquired by the Purchaser	Completion Amount receivable	Deferred Consideration receivable <sup>(1)</sup>	Aggregate Consideration receivable
The Company	Ezra Disposal Interest	US\$35,527,000	US\$57,000,000	US\$92,527,000
EOPS	EOPS Disposal Interest	US\$10,818,000	US\$63,000,000	US\$73,818,000

**Note:**

<sup>(1)</sup> Based on gross Deferred Consideration, without taking into account the present value amortisation on the Deferred Consideration.

**3.2.4** The Ezra Consideration payable to the Company was arrived at after arm's length negotiations, on a willing-buyer willing-seller basis, and was determined after taking into account the following considerations:

- (i) the rationale and benefit of the Ezra Disposal to the Company as set out in paragraph 4 of this Announcement;
- (ii) in respect of the Completion Amount, by reference to the enterprise value of PV Keez as at 31 December 2015, and on a debt-free basis; and
- (iii) in respect of the Deferred Consideration, by reference to 50 per cent. of (a) the distributions which are assumed (on the date of the Agreement) to be received by the Purchaser as a holder of Ordinary Shares or (b) any loan made by PV Keez to the Purchaser, the Purchaser's Group or Petrofac Limited (or its subsidiaries), excluding trade credit or amounts payable in the ordinary course of business of PV Keez ("**Purchaser Loan**") assumed (on the date of the Agreement) to be made, attributable to the cashflows of PV Keez generated from the FPSO after deducting relevant costs, taxes and other specified amounts, as determined in accordance with the terms of the Agreement.

### **3.3 Adjustments to the Aggregate Consideration**

**3.3.1** The Aggregate Consideration may be adjusted upon PV Keez's receipt of the whole of certain receivable amounts due and payable amounting to approximately US\$3,224,072 (collectively, the "**Receivables Amount**"), in accordance with the terms of the Agreement ("**Receivables Adjustment**"), as follows:

- (i) if the whole or any part of the Receivables Amount is received on or before the first anniversary of the Completion Date (as defined below), the Purchaser shall pay to the Vendors 80 per cent. of the whole or such part of the Receivables Amount received by PV Keez, determined net of:
  - (a) any withholding or deduction for and on account of tax made by PV Keez; and
  - (b) tax incurred by PV Keez in respect of the Receivables Amount received or deemed to be received for any tax purpose; and
- (ii) the Vendors shall not be entitled to receive the balance of the Receivables Amount not so received by PV Keez, and the Receivables Adjustment shall be deemed to be reduced by the Receivables Amount not so received.

**3.3.2** Under the terms of the Agreement, the Aggregate Consideration may be adjusted depending on the losses and costs incurred by PV Keez under the Rectification Works Contract (as defined below) or the Rectification Works Contract DOA (as defined below) ("**Rectification Works Adjustment**"), as follows:

- (i) upon all completion certificates in respect of each item of outstanding rectification works set out in the Rectification Works Contract DOA being issued by the Charterer to PV Keez, the Purchaser shall pay to the Vendors the sum of US\$750,000 less 80 per cent. of the amount (if any) by which the costs, expenses and other amounts in connection with such uncompleted rectification works which arose or was paid on or after 31 December 2015 exceeds the agreed rectification works budget; and
- (ii) upon the expiry of all contractor warranty periods specified in respect of the outstanding rectification works set out in the Rectification Works DOA, the Purchaser shall pay to the Vendors the sum of US\$750,000 less 80 per cent. of the aggregate of the amount of any claim in connection with breach of certain contractor warranties and costs, expenses and other amounts incurred in respect of such claim and remedying such breach,

in each case, in accordance with the terms of the Agreement.

**3.3.3** Based on the closing statement (the “**Closing Statement**”) to be agreed between the Vendors and the Purchaser or determined in accordance with the terms of the Agreement following Completion (“**Post-Completion Adjustment**”), the Aggregate Consideration may be adjusted as follows:

- (i) in the event:
  - (a) the financial debt of PV Keez as reflected in the Closing Statement exceeds an amount equal to the outstanding principal amount and interest in respect of the Facility Agreement (as defined below) immediately prior to Completion;
  - (b) the aggregate amount of the shareholders’ loans made by all shareholders of PV Keez (or any of such shareholder’s subsidiaries or subsidiary undertakings, any holding company of such shareholder or any other subsidiaries or subsidiary undertakings of any such holding company from time to time) to PV Keez which is outstanding and all interest accruing thereon as at Completion exceeds US\$15,868,035; or
  - (c) the amount of the Accrued Preferential Dividends exceeds the subscription price for the non-cumulative redeemable preference shares in the capital of PV Keez to be issued by PV Keez to the Purchaser on or about the Completion Date (the “**NCRPS**”) as set out in the termination and implementation agreement between, *inter alia*, the Vendors, PV Keez and the Purchaser,

the Vendors shall, in each case, pay to the Purchaser an amount equal to 80 per cent. of the excess, subject to applicable interest payable thereon in accordance with the terms of the Agreement.

- 3.3.4 The Proposed Transaction assumes a locked-box mechanism from 31 December 2015 until the Completion Date (the “**Locked Box Period**”). Under the terms of the Agreement, the Aggregate Consideration may be reduced if certain leakages (the “**Leakages**”) occur during the Locked Box Period (“**Pre-Completion Adjustment**”). The Leakages relate to, *inter alia*, any payment or assumption of liability made by PV Keez to, or on behalf of, or for the benefit of the Vendors and each of their related corporations and include any dividend or distribution declared, authorised, paid or made or any return of capital by or from PV Keez, and any waiver, discount, deferral or release by PV Keez of any amount or obligation owed or due to PV Keez, but excludes any permitted leakages agreed between the Vendors and the Purchaser in the Agreement.
- 3.3.5 The Deferred Consideration is subject to adjustments depending on the actual cashflows of PV Keez generated from the FPSO after deducting relevant costs, taxes and other specific amounts agreed in the Agreement (“**Deferred Consideration Adjustment**”). Under the terms of the Agreement, the Deferred Consideration will be satisfied through an earn-out payment mechanism, as follows:
- (i) if the amended and restated charter agreement to be entered into between PV Keez and the Charterer in relation to the charter of the FPSO or the post-finance period charter agreement to be entered into between PV Keez and the Charterer in relation to the charter of the FPSO (whichever may be in force at the relevant time) (each, the “**Relevant Charter Agreement**”) is extended beyond 31 December 2020 (the “**End Date**”), the Purchaser shall pay to the Vendors for each yearly extension period (up to a maximum of five extension periods) (each such period, an “**Extension Period**”), a sum in cash equal to 50 per cent. of the amount received by the Purchaser (x) as a distribution from PV Keez in respect of the Ezra Disposal Interest, the EOPS Disposal Interest, the NCRPS and other shares issued by PV Keez to the Purchaser which are held by the Purchaser at the date of the relevant Earn-Out Payment (as defined below) or (y) as a Purchaser Loan, in each case, determined net of any withholding or deduction for or on account of tax made by PV Keez and any tax incurred by the Purchaser in respect of the amount received or deemed to be received for any tax purpose, which is attributable to the excess operating cashflow generated from the FPSO for each such Extension Period (each such payment, an “**Earn-Out Payment**”), up to a maximum aggregate amount of US\$120,000,000, provided that:
    - (a) the Vendors shall not be entitled to receive any further Earn-Out Payments if after the End Date, during any Extension Period:
      - (I) the Relevant Charter Agreement is terminated or is otherwise deemed terminated in accordance with its terms;
      - (II) the Charterer exercises, or gives notice of intention to exercise, the purchase option pursuant to the terms of the Relevant Charter Agreement;

- (III) the FPSO is the subject of compulsory acquisition, or the relevant insurer accepts the total loss or condemnation of the FPSO, or the FPSO is otherwise declared a constructive, total loss or missing by the relevant insurer under the Relevant Charter Agreement; or
  - (IV) the Put Option or the Call Option is exercised in accordance with the terms of the Agreement; and
- (b) upon the occurrence of any of the following events at any time from (and excluding) the Completion Date to (and including) the End Date:
- (I) the termination of the Relevant Charter Agreement or the Relevant Charter Agreement otherwise being deemed terminated in accordance with its terms;
  - (II) the exercise of, or notice of intention to exercise, the purchase option by the Charterer pursuant to the terms of the Relevant Charter Agreement;
  - (III) the FPSO being the subject of compulsory acquisition, or the relevant insurer accepting the total loss or condemnation of the FPSO, or the FPSO otherwise being declared a constructive, total loss or missing by the relevant insurer under the Relevant Charter Agreement; or
  - (IV) if neither Relevant Charter Agreement is in force, any event which is outside the reasonable control of PV Keez which results in PV Keez not being the sole legal and beneficial owner of the whole of the FPSO,

the Purchaser shall pay to the Vendors 50 per cent. of any amount received by the Purchaser (x) as a distribution from PV Keez in respect of the Ezra Disposal Interest, the EOPS Disposal Interest, the NCRPS and other shares issued by PV Keez to the Purchaser which are held by the Purchaser at the date of the relevant Proceeds Payment (as defined below) or (y) as a Purchaser Loan, in each case, determined net of any withholding or deduction for or on account of tax made by PV Keez and any tax incurred by the Purchaser in respect of the amount received or deemed to be received for any tax purpose, which in either case is attributable to the total proceeds relating to such event during the period from (and excluding) the Completion Date to (and including) the date of occurrence of such event (the “**Proceeds Payment**”), up to a maximum amount of US\$120,000,000, and on payment by the Purchaser of the Proceeds Payment due and payable to the Vendors, the Vendors shall not be entitled to receive any Earn-Out Payments.



### 3.4 Post-Completion Options

3.4.1 Under the terms of the Agreement, the Put Option and the Call Option may be exercised, by the Vendors and the Purchaser respectively, within 10 Business Days<sup>6</sup> following the occurrence of any of the events set out below (each, an “**Option Event**”) in respect of all (and not some only) of the Option Shares:

- (i) the occurrence of 31 July 2020:
  - (a) in circumstances where no notice to extend the charter period beyond the End Date has been given by the Charterer under and in accordance with the Relevant Charter Agreement; or
  - (b) following termination of the Relevant Charter Agreement; or
- (ii) if notice has been given by the Charterer to extend the charter period under the Relevant Charter Agreement beyond the End Date, the occurrence of 31 July in an Extension Period in circumstances where the Charterer has not given such a notice to extend the charter period beyond the end of such Extension Period.

3.4.2 On completion of the sale and purchase of the Option Shares (the “**Option Completion**”) following the exercise of the Put Option or the Call Option (as the case may be), subject to the adjustments set out in paragraph 3.4.3 below, the Vendors shall pay the sum of US\$12,000,000 in cash to the Purchaser, representing the amount of the option price attributable to the Put Option or the Call Option (as the case may be) on a debt-free and cash-free basis (the “**Option Price**”).

3.4.3 Based on the closing statement to be drawn up by the Vendors and the Purchaser or determined in accordance with the terms of the Agreement, the Option Price may be adjusted in the following events:

- (i) if the net working capital of PV Keez as at the Option Completion Date:
  - (a) exceeds US\$0, the Vendors shall pay to the Purchaser an amount equal to the excess multiplied by the Purchaser’s percentage of the total economic interest in PV Keez (the “**Purchaser’s Shareholding Percentage**”) as at 31 December of the year in which notice of the Put Option or the Call Option (as the case may be) was given by the Purchaser or the Vendors respectively (the “**Option Completion Date**”); or
  - (b) is less than US\$0, the Purchaser shall pay to the Vendors an amount equal to the shortfall multiplied by the Purchaser’s Shareholding Percentage as at the Option Completion Date; and

---

<sup>6</sup> In this Announcement, the term “**Business Day**” means a day on which commercial banks are open for business in Singapore, London and New York City (excluding Saturdays, Sundays and public holidays).

- (ii) if the total liabilities of PV Keez as at the Option Completion Date exceed US\$0, the Purchaser shall pay to the Vendors an amount equal to the excess multiplied by the Purchaser's Shareholding Percentage as at the Option Completion Date.

3.4.4 Notwithstanding the occurrence of an Option Event, if either of the Vendors becomes aware that there is or would be a material breach of any fundamental warranties given by the Purchaser on the Option Completion Date, and where such breach is not remedied within 10 Business Days of the Purchaser receiving notice of the breach so that the Vendors' and PV Keez's position are not materially worse than the position that would have subsisted had there been no such breach, the Vendors (acting unanimously) shall be entitled not to proceed with Option Completion in their sole discretion.

### 3.5 Conditions Precedent

Under the terms of the Agreement, the Proposed Transaction is conditional upon, *inter alia*, the satisfaction (or waiver by the Purchaser in the case of the conditions in paragraphs 3.5.2 to 3.5.7 below) of the following conditions:

- 3.5.1 the approval of the Shareholders for the Ezra Disposal at the extraordinary general meeting ("**EGM**") to be convened (or at any adjournment thereof);
- 3.5.2 the entry by PV Keez into (i) the second financial period deed of amendment and restatement and (ii) the post-finance period deed of amendment and restatement with the Charterer and copies of which have been delivered to the Purchaser;
- 3.5.3 the entry by PV Keez into the master services agreement with Petrofac South East Asia Pte Ltd for the provision of administrative services;
- 3.5.4 the entry by PV Keez into a term loan facility agreement with PV Keez, the Purchaser, KSI Production Pte Ltd (or its permitted transferee) and Natixis, Singapore Branch for the refinancing of the term loan under the existing term loan facility agreement dated 31 March 2015 (the "**Facility Agreement**") entered into among, *inter alia*, PV Keez, the Company, EMAS, KS Investments Pte. Ltd. and Natixis, Singapore Branch, relating to the refinancing of the FPSO;
- 3.5.5 PV Keez obtaining an order of the High Court of Singapore pursuant to Sections 72 and/or 392 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") confirming and validating the allotment and issue of and the terms thereof, the 150,000,000 Ordinary Shares and the 28,000,000 RCPS and the acknowledgement and receipt by ACRA regarding the lodgement of the same;
- 3.5.6 the entry by EOL Limited and KSI Production Pte Ltd (or its permitted transferee) into a termination agreement in respect of the option agreement dated 16 November 2009 between EMAS Offshore Limited and KSI Production Pte Ltd;
- 3.5.7 the entry by PV Keez, KSI Production Pte Ltd (or its permitted transferee), PetroVietnam Transportation Corporation and the Purchaser into an amendment and restatement agreement relating to the shareholders' agreement;

- 3.5.8 the entry by PV Keez, KSI Production Pte Ltd (or its permitted transferee), PetroVietnam Transportation Corporation, the Purchaser, the Vendors and EOC Limited into the termination and implementation agreement in respect of the shareholders' agreement as in force immediately prior to Completion;
- 3.5.9 the entry by PV Keez and the Charterer into the deed of amendment (the "**Rectification Works DOA**") in respect of the FPSO primary rectifications completions contract dated 24 July 2015 made between the Charterer and PV Keez (the "**Rectification Works Contract**"); and
- 3.5.10 the entry by PV Keez and EMAS Offshore Construction and Production Pte Ltd into the sub-contract agreement in respect of the Rectification Works Contract,
- (collectively, the "**Conditions**").

### 3.6 Long Stop Date

Shareholders should note that in the event the Conditions are not satisfied or waived (where applicable) in accordance with the terms of the Agreement by 30 September 2016 or 31 October 2016 (as applicable) (or such other date as the Vendors and the Purchasers may agree in writing) (the "**Long Stop Date**"), either of the Vendors or the Purchaser may, in its or their sole discretion, terminate the Agreement (other than certain provisions as may be specified to survive termination under the Agreement).

### 3.7 Completion

Completion shall take place on the Business Day falling 10 Business Days following the date on which the Vendors notify the Purchaser of its calculation of the Completion Amount (which, in any event, shall be no more than seven Business Days after the satisfaction or waiver (where applicable) of the last of the Conditions) (the "**Completion Date**").

### 3.8 Termination

If, on or prior to Completion:

- 3.8.1 the Vendors are (i) in breach of any warranty given by them under the Agreement as at the date of the Agreement or (ii) in material breach of any warranty given by them under the Agreement as at Completion;
- 3.8.2 the Vendors are likely to be unable to sell the Disposal Interest with full title guarantee and together with all rights and advantages attaching or accruing to them as at Completion in accordance with the terms of the Agreement;
- 3.8.3 there is a material breach and/or breach (as the case may be) of the Vendors' pre-Completion obligations under the Agreement;
- 3.8.4 an event, matter or circumstance that has, or is reasonably likely to have, a material adverse effect has occurred; or

**3.8.5** there is an event of default, termination event, or mandatory prepayment event or any other event which would, with the giving of any notice, certificate, declaration or demand or, were it not remedied within the time specified in the Facility Agreement, be or become an event of default, termination event or mandatory prepayment event under the Facility Agreement,

and, where applicable, if any such breach or matter is not remedied within 10 Business Days of the Vendors receiving notice of the breach or matter or in any event, prior to or on the Long Stop Date, so that the Purchaser's and PV Keez's position is not materially worse than the position that would have subsisted had there been no such breach or matter, the Purchaser shall be entitled to terminate the Agreement.

## **4. RATIONALE AND BENEFIT OF THE EZRA DISPOSAL TO THE COMPANY**

### **4.1 Strategic Disposal**

The Ezra Disposal is consistent with the Company's strategy of moving away from the ownership of floating, production, storage and offloading assets and instead to leverage on the experience in FPSO conversion to provide value-added services to third parties.

### **4.2 Strengthen Financial Position**

The Ezra Disposal will enable the Company to strengthen its financial position as the Company's current business and operations continue to face headwind in the present challenging oil and gas sector. Net proceeds from the sale will further reduce gearing levels at the Company, improve cash flows and working capital of the Company. In addition, the release of capital currently invested in the business will improve the credit profile and financial metrics of the Company.

### **4.3 Unlock Shareholder Value**

The Ezra Disposal represents a good opportunity for the Company to unlock value for Shareholders as it allows the Company to monetise its stake in PV Keez for (i) an upfront cash consideration and (ii) a deferred consideration to be repaid through a profit-sharing arrangement whereby the Company will share in the assumed future cashflows of PV Keez generated from the FPSO with the Purchaser.

## **5. FINANCIAL INFORMATION**

### **5.1 Book Value**

Based on the latest announced unaudited consolidated financial statements of the Ezra Group<sup>7</sup> for the second quarter of the financial period ended 29 February 2016 (the "**Ezra Group's 2Q2016 Financial Statements**"), the book value attributable to:

---

<sup>7</sup> In this Announcement, the term "**Ezra Group**" means the Company and its subsidiaries.

- 5.1.1 the Ezra Disposal Interest as at 29 February 2016 is approximately US\$83,763,000. The surplus of the proceeds from the Ezra Consideration over the book value attributable to the Ezra Disposal Interest is approximately US\$8,764,000 based on the Ezra Consideration attributable to the Ezra Disposal Interest of US\$92,527,000 (assuming no (i) Receivables Adjustment, (ii) Rectification Works Adjustment, (iii) Pre-Completion Adjustment, (iv) Post-Completion Adjustment and (v) Deferred Consideration Adjustment (collectively, “**Adjustments**”));
- 5.1.2 the EOPS Disposal Interest as at 29 February 2016 is approximately US\$79,791,000. The deficit of the proceeds from the EOPS Consideration over the book value attributable to the EOPS Disposal Interest is approximately US\$5,973,000 based on the EOPS Consideration attributable to the EOPS Disposal Interest of US\$73,818,000 (assuming no Adjustments); and
- 5.1.3 the Disposal Interest (i.e. the Ezra Disposal Interest and the EOPS Disposal Interest) as at 29 February 2016 is approximately US\$163,554,000. The surplus of the proceeds from the Aggregate Consideration over the book value attributable to the Disposal Interest is approximately US\$2,791,000 based on the Aggregate Consideration attributable to the Disposal Interest of US\$166,345,000 (assuming no Adjustments).

## 5.2 Net Tangible Asset Value

Based on the Ezra Group’s 2Q2016 Financial Statements, the net tangible asset (“**NTA**”) value attributable to:

- 5.2.1 the Ezra Disposal Interest as at 29 February 2016 is approximately US\$83,763,000;
- 5.2.2 the EOPS Disposal Interest as at 29 February 2016 is approximately US\$79,791,000; and
- 5.2.3 the Disposal Interest as at 29 February 2016 is approximately US\$160,084,000.

## 5.3 Net Profit attributable to the Disposal Interest

Based on the Ezra Group’s 2Q2016 Financial Statements:

- 5.3.1 there is no profit or loss attributable to the Ezra Disposal Interest for the six months ended 29 February 2016<sup>8</sup>;
- 5.3.2 the net profit attributable to the EOPS Disposal Interest for the six months ended 29 February 2016 is approximately US\$2,629,000; and

---

<sup>8</sup> In relation to the profit or loss attributable to the Ezra Disposal Interest, the Company has ceased equity accounting for its corresponding share of profit and loss of PV Keez since the financial year ended 31 August 2013, as the Ezra Disposal Interest was subsequently reclassified as an asset held for sale under FRS 105 Non-current Assets Held for Sale and Discontinued Operations.

5.3.3 the aggregate net profit attributable to the Disposal Interest for the six months ended 29 February 2016 is approximately US\$2,629,000.

#### 5.4 Estimated Net Gain / Loss Impact on the Company

Based on the Ezra Group's 2Q2016 Financial Statements:

5.4.1 the estimated net gain in relation to the disposal of the Ezra Disposal Interest is approximately US\$8,764,000 based on the Ezra Consideration attributable to the Ezra Disposal Interest of US\$92,527,000 (assuming no Adjustments);

5.4.2 the estimated net loss in relation to the disposal of the EOPS Disposal Interest is approximately US\$5,973,000 based on the EOPS Consideration attributable to the EOPS Disposal Interest of US\$73,818,000 (assuming no Adjustments); and

5.4.3 the estimated net gain in relation to the disposal of the Disposal Interest is approximately US\$2,791,000 based on the Aggregate Consideration attributable to the Disposal Interest of US\$166,345,000 (assuming no Adjustments).

#### 5.5 Use of Proceeds

It is expected that the net proceeds arising from the Ezra Consideration will be utilised by the Company for debt repayment, working capital and general corporate requirements.

### 6. PRO FORMA FINANCIAL EFFECTS

#### 6.1 Bases and Assumptions

The pro forma financial effects of the Ezra Disposal and the EOPS Disposal set out below have been computed based on the audited consolidated financial statements of the Ezra Group for the financial year ended 31 August 2015 ("**FY2015**"), being the most recently completed financial year for which financial statements are publicly available as at the date of this Announcement. Such financial effects have been prepared purely for illustrative purposes only and are neither indicative of the actual financial effects of the Ezra Disposal and the EOPS Disposal on the NTA per Share and earnings per Share ("**EPS**"), nor do they reflect a projection of the actual future financial performance or financial position of the Ezra Group after the Ezra Disposal and the EOPS Disposal.

The pro forma financial effects set out below have also been prepared based on, *inter alia*, the following bases and assumptions:

6.1.1 the financial effects computation set out below are determined on the following basis:

- (i) the consideration to be received for the Ezra Disposal Interest is US\$92,527,000 based on the Ezra Consideration attributable to the Ezra Disposal Interest (assuming no Adjustments);
- (ii) the consideration to be received for the EOPS Disposal Interest is US\$73,818,000 based on the EOPS Consideration attributable to the EOPS Disposal Interest (assuming no Adjustments); and

- (iii) the consideration to be received for the Disposal Interest is US\$166,345,000 based on the Aggregate Consideration attributable to the Disposal Interest (assuming no Adjustments);
- 6.1.2 the financial effects computation set out below have taken into account EOPS being a subsidiary of the Company, and accordingly, from an accounting perspective, will be accounted for by the Company in its consolidated financial statements;
- 6.1.3 the Ezra Disposal and the EOPS Disposal had been effected on 31 August 2015 for illustrating the financial effects on the consolidated NTA of the Ezra Group;
- 6.1.4 the Ezra Disposal and the EOPS Disposal had been effected on 1 September 2014 for illustrating the financial effects on the consolidated EPS of the Ezra Group;
- 6.1.5 the financial effects computation set out below have taken into account estimated transaction and related costs associated with the Ezra Disposal and the EOPS Disposal of approximately US\$7,200,000; and
- 6.1.6 the conversions of S\$ into US\$ are based on a fixed exchange rate of S\$1.00 to US\$0.743.

## 6.2 NTA

For illustrative purposes only and assuming the Ezra Disposal and the EOPS Disposal had been effected on 31 August 2015, being the end of FY2015, the pro forma financial effects on the consolidated NTA of the Ezra Group for FY2015 are as follows:

	<b>Before the Ezra Disposal and the EOPS Disposal</b>	<b>After the Ezra Disposal</b>	<b>After the Ezra Disposal and the EOPS Disposal</b>
NTA (US\$ million)	1,337.8	1,346.6	1,344.1
No. of issued Shares (million)	2,939.0	2,939.0	2,939.0
NTA per Share (US\$) <sup>(1)</sup>	0.46	0.46	0.46

## 6.3 EPS

For illustrative purposes only and assuming the Ezra Disposal and the EOPS Disposal had been completed on 1 September 2014, being the start of FY2015, the pro forma financial effects on the consolidated earnings of the Ezra Group for FY2015 are as follows:

	<b>Before the Ezra Disposal and the EOPS Disposal</b>	<b>After the Ezra Disposal<sup>(3)</sup></b>	<b>After the Ezra Disposal and the EOPS Disposal<sup>(3)</sup></b>
Net profit attributable to ordinary Shareholders (US\$ million)	43.7	52.5	44.5
Weighted average number of Shares (million) <sup>(1)</sup>	1,908.4	1,908.4	1,908.4
Basic EPS (US cents) <sup>(2)</sup>	2.29	2.75	2.33

**Notes:**

<sup>(1)</sup> The weighted average number of Shares has been adjusted in accordance with FRS 33 Earnings Per Share to take into account the following events which took place in FY2015:

(i) the bonus issue of Shares on 23 December 2014 with respect to which the weighted average number of Shares has been restated based on the assumption that the bonus issue of one bonus Share for every 25 existing Shares has been issued and allocated before the beginning of 1 September 2014; and

(ii) the rights issue of Shares on 28 July 2015 with respect to which adjustments have been made to the weighted average number of Shares as at 1 September 2014 on a pro-rata basis, based on an adjustment factor calculated based on the market price and theoretical ex-rights price of a Share.

<sup>(2)</sup> The calculation of basic EPS is based on the net profit attributable to ordinary Shareholders.

<sup>(3)</sup> Based on gross Deferred Consideration, without taking into account the present value amortisation on the Deferred Consideration.

## **6.4 Share Capital**

The Ezra Disposal and the EOPS Disposal will not have any impact on the issued and paid-up share capital of the Company.

## **7. MAJOR TRANSACTION**

### **7.1 Chapter 10 of the Listing Manual – Rule 1006**

7.1.1 The relative figures in relation to the Ezra Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual and based on the the Ezra Group's 2Q2016 Financial Statements are as follows:



<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
<b>(a)</b>	The net asset value of the assets to be disposed of, compared with the Ezra Group's net asset value <sup>(1)</sup>	8.0
<b>(b)</b>	The net profits attributable to the assets disposed of, compared with the Ezra Group's net profits <sup>(2)</sup>	Not applicable
<b>(c)</b>	The aggregate consideration <sup>(3)</sup> to be received, compared with the Company's market capitalisation <sup>(4)</sup>	57.2
<b>(d)</b>	Not applicable as the Company is not issuing equity securities as consideration for an acquisition	
<b>(e)</b>	Not applicable as the Company is not a mineral, oil and gas company	

**Notes:**

<sup>(1)</sup> The net asset value of US\$83,763,000 attributable to the Ezra Disposal Interest and the net asset value of US\$1,044,123,000 in respect of the Ezra Group is based on the Ezra Group's 2Q 2016 Financial Statements.

<sup>(2)</sup> Under Rule 1002(3)(b) of the Listing Manual, the term "**net profits**" is defined as profit or loss before income tax, minority interest and extraordinary items.

There is no net profit attributable to the Ezra Disposal Interest based on the Ezra Group's 2Q2016 Financial Statements. The Company has ceased equity accounting for its corresponding share of profit and loss of PV Keez since the financial year ended 31 August 2013, as the Ezra Disposal Interest was subsequently reclassified as an asset held for sale under FRS 105 Non-current Assets Held for Sale and Discontinued Operations.

The consolidated net loss of the Ezra Group based on the Ezra Group's 2Q2016 Financial Statements is approximately US\$329,634,000.

<sup>(3)</sup> The aggregate consideration to be received for the Ezra Disposal Interest is US\$92,527,000 based on the Ezra Consideration attributable to the Ezra Disposal Interest (assuming no Adjustments).

<sup>(4)</sup> The market capitalisation of the Company as at the date of this Announcement of approximately US\$162.5 million is determined by multiplying 2,938,961,097 Shares in issue (excluding treasury shares) by the volume-weighted average market price of approximately S\$0.0744 per Share as at the last market day on which the Shares were traded prior to the date of the Agreement and the assumed exchange rate of US\$1 : S\$1.346.

**7.1.2** As the relative figure under Rule 1006(c) of the Listing Manual exceeds 20 per cent., the Ezra Disposal constitutes a major transaction for the Company as defined in Chapter 10 of the Listing Manual. Accordingly, the Ezra Disposal, the Put Option and the Call Option are subject to the approval of Shareholders.

## **7.2 EGM and Circular to Shareholders**

The directors of the Company (“**Directors**”) will be convening an EGM to seek approval of the Shareholders for the Ezra Disposal, the Put Option and the Call Option. A circular setting out information on the Proposed Transaction (including the Ezra Disposal, the Put Option and the Call Option), together with a notice of EGM to be convened, will be despatched to Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests, and to exercise caution when dealing in the Shares, until they or their advisers have considered the information and the recommendations to be set out in the Circular.

Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

## **8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in this Announcement, no Director or controlling Shareholder has any interest, direct or indirect, in the Proposed Transaction or the transactions contemplated in relation thereto, save in respect of his/its shareholding (if any) in the Company.

## **9. DIRECTORS’ SERVICE CONTRACTS**

No person is proposed to be appointed as a Director in connection with the Proposed Transaction or the transactions contemplated in relation thereto. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **10. DOCUMENTS FOR INSPECTION**

A copy of the Agreement is available for inspection at the registered office at 15 Hoe Chiang Road, Tower Fifteen, #28-01, Singapore 089316 during normal business hours for a period of three months commencing from the date of this Announcement.

By Order of the Board

Yeo Keng Nien  
Company Secretary  
1 July 2016