

OEL (HOLDINGS) LIMITED
(Company Registration No. 198403368H)
(Incorporated in Singapore)

UPDATE ON ARBITRATION AGAINST FR. FASSMER GMBH & CO. KG

1. The board of directors ("**Board**") of OEL (Holdings) Limited (formerly known as Oakwell Engineering Limited) (the "**Company**") refers to the announcement of the Company dated 11 October 2013 ("**Previous Announcement**") in relation to arbitration proceedings on the cooperation agreement dispute with Fr. Fassmer GmbH & Co. KG ("**Fassmer**").
2. All capitalised terms used herein shall have the same meanings ascribed to them in the Previous Announcement, unless otherwise provided or unless the context otherwise requires.
3. The Board wishes to update shareholders of the Company that it has on 25 February 2014 received a statement of defence and counterclaim dated 24 February 2014 ("**Statement of Defence & Counterclaim**") from Fassmer.
4. In its Statement of Defence & Counterclaim, Fassmer denies the claims of OSEC and has made a counterclaim for the following:
 - (i) sums alleged to be payable by OSEC as licence fees and for management support services and technical assistance services rendered under the Cooperation Agreement, amounting to USD 75,000 and EUR 599,000 respectively. In the alternative, Fassmer has asked the tribunal to assess such sums payable to it;
 - (ii) assessment of the damages to be payable by OSEC for its alleged breach of its intellectual property rights, as well as an indemnity for any loss and damage that may arise from such alleged breaches; and
 - (iii) interest and costs.
5. OSEC and its advisors are currently reviewing the Statement of Defence & Counterclaim and will take all necessary steps to defend the allegations made against the Company.
6. The Company will continue to keep the shareholders updated of the material developments of the foregoing as may be necessary or appropriate.

By Order of the Board

Derick Lim Chien Joo
Group Financial Controller / Company Secretary
28 February 2014

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are:-

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