

NauticAWT Limited

(Company Registration Number: 201108075C)
(Incorporated in the Republic of Singapore)

PROPOSED ISSUE OF US\$500,000 CONVERTIBLE NOTES

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of NauticAWT Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a subscription agreement (the “**Subscription Agreement**”) with Kim Seng Holdings Pte Ltd (the “**Subscriber**” or “**KSH**”) on 17 March 2017, pursuant to which the Company proposes to issue up to US\$500,000 in aggregate principal amount of convertible notes due 2020 (the “**Notes**”) on the terms and subject to the conditions of the Subscription Agreement (the “**Proposed Issue**”). The Notes are convertible into fully paid-up new ordinary shares of the Company (the “**Subscription Shares**”).

An application will be made through the Company’s Sponsor to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Subscription Shares to be allotted and issued upon conversion of the Notes. The Notes will not be listed or quoted on Catalist or any other exchange.

No placement agent has been appointed in respect of the Proposed Issue. Therefore, no commission or referral fees will be paid to any party.

2. RATIONALE OF SEEKING SHAREHOLDERS’ APPROVAL

2.1 Information on the Subscriber

KSH is an investment holding company incorporated in Singapore. As at the date of this announcement, KSH holds 25.32% of the issued and paid-up share capital of the Company and is therefore a controlling shareholder of the Company.

KSH’s subscription of the Notes is for investment purpose only, and they have no intention of influencing the management of the Company.

2.2 Rule 812 of the Catalist Rules

Rules 812(1) and 812(2) of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) provide as follows:

812(1) An issue must not be placed to any of the following persons:

- (a) the issuer’s directors and substantial shareholders;*
- (b) immediate family members of the directors and substantial shareholders;*
- (c) substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer’s substantial shareholders;*
- (d) corporations in whose shares the issuer’s directors and substantial shareholders have an aggregate interest of at least 10%; or*

- (e) any person who, in the opinion of the SGX-ST, falls within category (a) to (d).

812(2) Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.

KSH is a substantial shareholder of the Company. Therefore, in accordance with Rule 812(2) of the Catalist Rules, specific approval from shareholders of the Company (the “**Shareholders**”) is required for the issuance and allotment of any Subscription Shares to KSH pursuant to the Proposed Issue.

Accordingly, the Directors propose to seek the Shareholders’ approval for the issue to the Subscriber of the full amount of the Notes and for the issuance and allotment of the Subscription Shares arising from the conversion of the Notes. Accordingly, KSH and its associates will be abstaining from voting on the resolution. Please refer to paragraph 3 of this announcement for further details on the Proposed Issue.

2.3 Proposed Issue as an Interested Person Transaction (“IPT”)

KSH is an “interested person” pursuant to the Catalist Rules. As such, the Proposed Issue between the Company as an “entity at risk” and KSH as the “interested person” is an “interested person transaction” pursuant to Chapter 9 of the Catalist Rules.

The Company does not have a general mandate from its shareholder for IPTs. Under Rule 909 of the Catalist Rules, the value of a transaction in the case of borrowing funds from an interested person is the interest payable on the borrowing. The total interest payable to KSH, calculated based on the fixed coupon interest rate of 10% per annum, is US\$150,000.

The interest on the Notes payable to KSH, when compared against the Group’s latest audited net tangible assets (“**NTA**”) as at 31 December 2015 of approximately US\$5.8 million, amounts to less than 3% of the Group’s latest audited NTA respectively. Therefore, based on Rule 905 of the Catalist Rules, the Company is not ordinarily required to make an announcement of this IPT.

3. PROPOSED ISSUE

3.1 Principal Terms and Conditions of the Notes

The principal terms and conditions of the Notes are summarised as follows:

Issuer	: NauticAWT Limited
Principal Amount	: US\$500,000 in aggregate principal of the Notes.
Issue Price	: 100% of the aggregate principal amount of the Notes.
Maturity Date	: 3 years from the Completion Date.

“**Completion Date**” means the date when all the Conditions Precedent as set out in Paragraph 3.2 are fulfilled or agreed by the Company and Subscriber(s) to be waived.

Form and Denomination	: The Notes will be issued in registered form, serially numbered in the denomination US\$50,000 each. A note certificate (each a " Certificate ") will be issued to the holder of the Notes. Each Note and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Company will procure to be kept by the share registrar of the Company (the " Registrar ").
Interest	: The Notes shall bear fixed coupon interest rate of 10% per annum from the Completion Date and shall be payable semi-annually on each six (6) months anniversary of the Completion Date.
Conversion Price	: The price at which each Share shall be issued upon conversion is fixed at S\$0.15 (the " Conversion Price ").
Conversion Price Adjustments	: There shall be in any event no adjustment or adjustments to the Conversion Price and amount of Notes issued.
Subscription Shares	: The number of Shares to which a Subscriber is entitled on conversion of the Notes shall be determined by dividing the Principal Amount of the Notes, translated into Singapore dollars at the spot rate, to be converted by the applicable Conversion Price, determined as hereinafter provided.
Conversion Period	: The Notes are convertible at the option of the Noteholder, at any time after the second anniversary of the Completion Date up to 14 business days after the Maturity Date.
Status of the Notes	: The Notes constitute direct, unsecured, unconditional and unsubordinated obligations of the Company, and shall rank in preference and priority over all other present and future unsecured obligations (other than indebtedness preferred by mandatory provisions of law) of the Company in terms of repayment of principal, interest and/or unpaid amounts owing to the Subscriber.
Status of the Subscription Shares	: The Subscription Shares shall rank pari passu in all respects with all the existing issued and paid up Shares of the Company.
Alteration of Terms	: Any material alteration of the Notes to the advantage of the Subscriber requires the approval of the majority of the Shareholders in general meeting.
Governing Law	: Singapore Law

The Conversion Price represents a premium of approximately 36.4% to the volume weighted average price of S\$0.1100 for trades done on 24 October 2016 (being the last full market day on which trades were recorded on Catalist of the SGX-ST preceding the date on which the Subscription Agreement was signed). The Conversion Price was

arrived at based on a willing buyer, willing seller basis, taking into consideration the historical volume weighted price of the shares of the Company before the signing of the Subscription Agreement.

3.2 **Conditions Precedent**

Under the Subscription Agreement, the obligation of the Subscriber to subscribe and pay for the Notes and the completion of the Proposed Issue by the Company are subject to, *inter alia*, the following conditions precedent:

- a. the provision of the Company's written resolutions of its Board approving and authorising: (i) the entry into of this Subscription Agreement, the issuance of the Notes and the performance of all obligations of the Company in relation thereto which include the issuance of the Notes, the issuance of the Subscription Shares (upon conversion of the Notes); and (ii) appropriate persons to execute and deliver the Subscription Agreement, the Notes, and all documents executed or entered into pursuant to each of the foregoing, each in a form approved by the Subscribers (the "**Transaction Documents**") on behalf of the Company and to take any action contemplated hereby and thereby;

"Transaction Documents" means this Agreement, the Notes, and all documents executed or entered into pursuant to each of the foregoing, each in a form approved by the Subscriber;

- b. approval in principle for the listing and quotation of the Subscription Shares on Catalist of the SGX-ST being obtained from the SGX-ST and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), such conditions being acceptable to the parties hereto and, to the extent that any conditions for the listing and quotation of the Subscription Shares on SGX-ST are required to be fulfilled on or before the Completion Date (or such other date as the parties may agree) they are so fulfilled;
- c. the execution of the Farm-In Agreement in respect of the production enhancement project in Block VIIB, West Georgia, as announced by the Company on 16 December 2016;
- d. all other relevant government or regulatory approvals and waivers, Shareholders' approval, and other third party approvals and consents, where applicable and/or required, and any conditions imposed by the authorities in giving such approval having been fulfilled (or waived), for the issue of the Notes, the Subscription Shares and the execution, delivery and performance of the Transaction Documents;
- e. the issue and subscription of the Notes not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Subscriber; and
- f. the specific approval of Shareholders at an extraordinary general meeting ("**EGM**") in respect of the issuance of Notes and Subscription Shares to the Subscriber.

(collectively, the "**Conditions Precedent**").

Further details on the terms of the Subscription Agreement will be set out in a circular to be issued by the Company and to be despatched to the Shareholders in due course for the purpose of obtaining the specific approval of Shareholders in respect of the Proposed Issue at the EGM to be convened by the Company.

4. AUTHORITY FOR ALLOTMENT AND ISSUANCE OF SUBSCRIPTION SHARES

The number of Subscription Shares to be allotted and issued by the Company pursuant to the full conversion of the Notes is approximately 4,713,000, assuming no adjustments to the Conversion Price. The 4,713,000 Subscription Shares represent approximately 2.47% of the Company's issued share capital of 190,965,893 Shares as at the date of this announcement, and 2.41% of the enlarged issued share capital of the Company assuming: (i) full conversion of the Notes; and (ii) no further shares are issued on or prior to the completion of the Proposed Issue.

Pursuant to Rule 805(1) of the Catalist Rules, Shareholders' approval will be sought for the issuance and allotment of the Subscription Shares arising from the conversion of the Notes at the EGM.

5. FINANCIAL EFFECTS OF THE PROPOSED ISSUE

The pro forma financial effects, as set out below, are presented for illustrative purposes only and are not intended to reflect the actual future financial position of the Company following the completion of the Proposed Issue.

Such pro forma financial effects have been computed based on the audited consolidated financial statements of the Group for the full financial year ended 31 December 2015 ("**FY2015**") based on the following assumptions:

- (a) the financial effects of the Proposed Issue on the net tangible assets per Share of the Group are computed assuming that the full conversion of the Notes at the Conversion Price on 31 December 2015;
- (b) the financial effects of the Proposed Issue on the loss per Share ("**LPS**") of the Group are computed assuming that the full conversion of the Notes at the Conversion Price on 1 January 2015;
- (c) an exchange rate for FY2015 of US\$1:S\$1.3742;
- (d) a closing exchange rate as at 31 December 2015 of US\$1:S\$1.4139; and
- (e) transactional costs incurred for the Proposed Issue are approximately S\$20,000.

5.1 Share Capital

As at 31 December 2015	Before the Subscription Shares	After the Subscription Shares
Issued and paid-up share capital (S\$'000)	10,248	10,947
Number of Shares (excluding treasury shares)	190,965,893	195,678,893

5.2 NTA per Share

As at 31 December 2015	Before the Subscription Shares	After the Subscription Shares
NTA (S\$'000)	8,255	8,942
Number of Shares	190,965,893	195,678,893
NTA per Share (S\$ cents)	4.32	4.57

5.3 LPS

FY2015	Before the Subscription Shares	After the Subscription Shares
Loss attributable to owners of the Company (S\$'000)	9,262	9,343
Weighted average number of Shares	174,462,950	179,086,306
LPS (S\$ cents)	5.31	5.22

6. RATIONALE OF PROPOSED ISSUE AND USE OF PROCEEDS

The estimated net proceeds from the Proposed Issue, after deducting estimated fees and expenses of approximately S\$20,000, is approximately S\$687,000 (the “**Net Proceeds**”).

The rationale for the Proposed Issue is to fund in part the production enhancement project in Block VIIB, West Georgia (“**Proposed Transaction**”), as announced by the Company on 16 December 2016. The Company intends to utilise the Net Proceeds for the payment of the consideration of the Proposed Transaction.

The Company will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company’s annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Directors are of the opinion that: (i) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the present bank facilities and Net Proceeds of the Proposed Issue, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Company has decided to undertake the Proposed Issue to fund in part the Proposed Transaction.

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Issue will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Issue.

8. ADDITIONAL LISTING AND QUOTATION APPLICATION TO THE SGX-ST

An application will be made to the SGX-ST via the Sponsor in due course for the listing and quotation of the Subscription Shares to be issued upon conversion of the Notes from time to time within the Conversion Period. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Issue (other than through their respective shareholdings in the Company, if any).

11. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately. The Proposed Issue is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Issue will be completed or that no changes will be made to the terms thereof.

12. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection during normal business hours at the Company's registered office at 300 Beach Road #13-02 The Concourse Singapore 199555 for three (3) months after the date of this announcement.

13. ANNOUNCEMENTS

Further announcements in relation to the Proposed Issue will be made in due course as and when appropriate.

By Order of the Board

John Grønbech

Executive Director and CEO

20 March 2017

Overview of NauticAWT Limited

NauticAWT Limited is a Singapore headquartered firm offering subsurface, subsea and surface facilities engineering services and contracting solutions to the oil and gas industry. The Group is engaged in field exploration, field development and field refurbishments including design life extensions and production enhancement for ageing and mature assets for its clients.

With a global reach of 12 offices across Southeast Asia, Australasia, Middle East, Latin America and India, NauticAWT Limited provides a comprehensive range of technical and commercial solutions to the oil and gas industry. Through its multi-disciplined offerings, the Group is able to deliver customised technical greenfield development services and brownfield enhancement and extension solutions, either stand-alone or as an integrated package. The Group also produces a unique range of UHPC and HPC materials for subsurface, subsea and surface applications, which is marketed under its NAX™ trademark.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved 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 contact person for the Sponsor is Mr Sebastian Jones, Director, SAC Advisors Private Limited, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.
