
UPDATES IN RESPECT OF NON-BINDING EXPRESSION OF INTEREST

1. INTRODUCTION

- 1.1 Swiber Holdings Limited (Judicial Managers Appointed) (“**Company**” and together with its subsidiaries, the “**Group**”) refers to its announcement dated 6 April 2020 (“**EOI Announcement**”) in relation to the receipt by the Company of a preliminary and non-binding expression of interest (“**EOI**”) from a third party (“**Potential Investor**”) in relation to a potential investment in the Group, subject to satisfactory due diligence, the receipt of all necessary approvals and the signing of definitive transaction agreements on terms satisfactory to the parties (“**Definitive Agreements**”) (“**Potential Investment**”). Unless otherwise stated, defined terms used herein shall bear the meanings ascribed to them in the EOI Announcement.
- 1.2 Further to the EOI Announcement, the Company wishes to update that it is currently in discussions with the Potential Investor in relation to the EOI with a view to agreeing on the broad terms of the Potential Investment to be set out in a term sheet, which (if such term sheet is signed) will form the general basis for the negotiations of the Definitive Agreements. The Company also wishes to provide some further details in relation to the Potential Investment as set out in the Potential Investor’s proposal in the EOI.

2. POTENTIAL INVESTOR

The Potential Investor is an oil and gas conglomerate based in the Middle East, and the Judicial Managers understand that the Potential Investment is aligned with the Potential Investor’s broader strategy for the region.

3. PROPOSED TERMS FOR POTENTIAL INVESTMENT

- 3.1 Whilst discussions with the Potential Investor in relation to the Potential Investment are still ongoing, the broad terms for the Potential Investment as proposed by the Potential Investor include the following:

(a) **Investment by the Potential Investor**

Subject to the satisfaction of the relevant conditions precedent to be set out in the Definitive Agreements (including, without limitation, the receipt of all necessary approvals), the Potential Investor will invest an aggregate cash amount of US\$200 million in a new wholly-owned subsidiary to be incorporated by the Company (“**New Swiber**”) and/or Equatoriale Energy Pte. Ltd., a wholly-owned subsidiary of the Company (“**EEPL**”), as follows:

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- (i) an initial amount of US\$10 million by way of subscription of new ordinary shares in New Swiber (“**Shares**”), which will constitute about 80% of New Swiber’s enlarged total issued shares immediately following such subscription (but prior to any conversion of the RCBs (as defined below)) (“**Initial Investment**”); and
- (ii) a subsequent amount of US\$190 million by way of subscriptions of new ordinary shares in New Swiber and/or EEPL (the number of which is to be agreed between the parties) to be undertaken in such tranches to be agreed in the Definitive Agreements, based on the satisfaction of the relevant milestones to be agreed in the Definitive Agreements.

(b) Debt Restructuring

In order to address the Company’s liabilities to certain secured creditors, New Swiber will, subject to the receipt of all necessary approvals, issue redeemable convertible bonds (“**RCBs**”) to those secured creditors, which are convertible into Shares constituting about 10% of New Swiber’s enlarged total issued shares, if such RCBs are converted. In order to address liabilities of the Company and Swiber Offshore Construction Pte. Ltd. (“**SOC**”) to their unsecured creditors, New Swiber will, subject to the receipt of all necessary approvals, issue Shares constituting about 12.6% of New Swiber’s enlarged total issued shares which will be allocated for the benefit of the unsecured creditors of SHL and SOC.

(c) Internal Restructuring

Prior to the closing of the Initial Investment, the Group will, subject to the receipt of all necessary approvals, transfer certain assets, including secured and unsecured vessels, the secured leasehold property, shares in certain subsidiaries and associated company, and certain contracts and intellectual property to the New Swiber group.

(d) Shareholding Structure of New Swiber

For illustration purposes only and assuming all the RCBs are converted into Shares immediately following the Initial Investment, the pro forma shareholding structure of New Swiber immediately after such conversion is proposed to be as follows:

Shareholders of New Swiber	Percentage shareholding in New Swiber immediately following the Initial Investment but without conversion of RCBs (%)	Percentage shareholding in New Swiber immediately following the Initial Investment and assuming all RCBs are converted (%)

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The Potential Investor	80.0	72.0
Holders of RCBs	-	10.0
Holders of unsecured debt of SHL and SOC	14.0	12.6
Existing shareholders and holders of shares to be issued to key management and professionals	6.0	5.4
Total:	100.0	100.0

- 3.2 Shareholders should note that as at the date of this announcement, no definitive or binding agreements (including any term sheet) have been entered into in connection with the Potential Investment, and there is no certainty or assurance that the Potential Investment will materialise or that any definitive or binding agreement (including any term sheet) will be entered into or that the terms and conditions of the Potential Investment (if any) will not differ from those set out above.

4. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited, in the event that there are material developments in relation to the Potential Investment.

By Order of the Judicial Managers
Bob Yap Cheng Ghee
Joint and Several Judicial Manager
15 April 2020

By Order of the Board
Raymond Kim Goh
Chairman
15 April 2020