

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

POTENTIAL BREACH OF:

- (A) FINANCIAL OBLIGATIONS UNDER THE JASPER EXPLORER BONDS**
 - (B) PAYMENT OBLIGATION IN RESPECT OF JASPER COSMOPOLITAN**
-

Potential breach of financial obligations under the Jasper Explorer Bonds

The Board of Directors (the “**Board**”) of Jasper Investments Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 8 August 2014 (the “**Results Announcement**”), wherein it was disclosed that discussions have been initiated with the holders (the “**Bondholders**”) of the five-year US\$165 million senior secured bonds (the “**Bonds**”) issued by its subsidiary Jasper Explorer PLC (“**Jasper Explorer**”) for relief and waivers from ongoing financial obligations.

Further to the Results Announcement, the Board wishes to inform that the following waivers and relief (the “**Waivers**”) had been sought from the Bondholders by Jasper Explorer:

- (a) waiver of the maintenance of a minimum liquidity by Jasper Offshore (Cyprus) Ltd. and its subsidiaries of at least US\$10 million (the “**Liquidity Obligation**”); and
- (b) extension of the due date for the payment to the Bondholders of an aggregate of US\$11.1 million in interest due 27 November 2014 (the “**Interest Payment Obligation**”),

pending broader restructuring discussions with the Bondholders given the fact that the Jasper Explorer vessel has not generated any revenue since coming off-hire at the end of February 2014.

The Waivers were not approved at the meeting of the Bondholders held on 19 August 2014. While the management team of the Group (“**Management**”) continues in its efforts to secure the Waivers from the Bondholders, there is no assurance that the Waivers will be granted and, if granted, on terms and conditions that are acceptable to the Group.

In the event that the Waivers or other relief from financial obligations under the Bonds are not obtained for any reason and Jasper Explorer is unable to obtain funds from other sources to meet the Liquidity Obligation and the Interest Payment Obligation, the Company anticipates that the Liquidity Obligation will be breached by 31 August 2014, while the Interest Payment Obligation will be breached on 27 November 2014. The breach of any of the foregoing obligations will entitle the Bonds to be declared to be in default under their terms, following expiry of any applicable grace periods. In a default and forced sale situation, it is likely that the Jasper Explorer vessel would be realised at significant discount to its audited net book value of US\$358 million (as set out in the Group’s latest audited financial statements for the financial year ended 31 March 2014).

Currently, Management is still using its best efforts to reach out to the Bondholders for their support. However, there is no assurance that the Bondholders will respond favourably. Management also continues to actively seek sale and/or contract opportunities for the Jasper Explorer vessel. Shareholders should note that the Company's controlling shareholder, Morton Bay (Holdings) Pte Ltd, has expressed its intention not to provide further financial support in respect of the Group's financial obligations (whether owed by Jasper Explorer under the Bonds or otherwise incurred).

Potential breach of payment obligation pursuant to contract between Jasper Cosmopolitan Pte Ltd ("**Jasper Cosmopolitan**") and Yiulian Shipyard for the conversion of Jasper Cosmopolitan vessel.

The Board further refers to page 2 of the Company's annual report in respect of the financial year ended 31 March 2014, wherein it was disclosed that the Group would take delivery of the converted Jasper Cosmopolitan vessel in the second half of 2014.

Further to the abovementioned disclosure, the Board wishes to announce that notwithstanding Management's strong efforts, it is anticipated that Jasper Cosmopolitan will not be able to raise sufficient funds to take delivery of the vessel from YiuLian Dockyards (Shekou) Limited ("**Yiulian Shipyard**") by 31 August 2014, which is the contractually agreed date for taking delivery and making payment of the outstanding contract sum.

Pursuant to the contract with Yiulian Shipyard dated 8 November 2011 (as varied and/or amended on 8 November 2011, 30 December 2012 and 21 March 2014), in the event that Jasper Cosmopolitan is unable to pay the balance of the contract sum as well as other payments due to Yiulian Shipyard and take delivery of the Jasper Cosmopolitan vessel by 31 August 2014, Yiulian Shipyard will be entitled to sell the vessel following expiry of any applicable grace period in order to recover the amounts that it is owed (the "**Non-payment Event**"). Currently, Management is still actively seeking sale and/or bareboat charter opportunities for the Jasper Cosmopolitan vessel and is in ongoing contact with Yiulian Shipyard. In the event that the due date for delivery and payment is missed and Yiulian Shipyard decides to exercise its rights, the Group intends to work collaboratively with Yiulian Shipyard on the sale process in the interests of enhancing the Jasper Cosmopolitan vessel's sale value.

The Non-payment Event, if triggered, would also in turn trigger a cross-default event of default under the terms and conditions of the Bonds.

Further announcements will be made on any material developments on the foregoing matters, as and when appropriate.

In the meantime, Shareholders are advised to exercise caution when dealing in the securities of the Company and refrain from taking any action in relation to their securities which may be prejudicial to their interests.

BY ORDER OF THE BOARD

Paul Carsten Pedersen
Chief Executive Officer
22 August 2014