

PROPOSED DISPOSAL OF INDIRECT SUBSIDIARY

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 a 60.75% owned, Malaysia-incorporated indirect subsidiary of the Company, AWT International (Asia) Sdn. Bhd. (“**AWT ASIA**”), had on 28 December 2016 entered into a share sale agreement (the “**SSA**”) with two unrelated third parties, Lim Kat Feng @ Edwin Lim and Chong ZhuangYu (each a “**Purchaser**” and collectively the “**Purchasers**”), pursuant to which AWT ASIA has agreed to sell, and the Purchasers have agreed to purchase all the shares in the issued and paid up share capital of AWT International (PNG) Sdn. Bhd. (“**AWT PNG**”) (the “**Sale Shares**”), for an aggregate consideration of RM1 (the “**Consideration**”) (the “**Proposed Disposal**”). The Purchasers and AWT ASIA unconditionally and irrevocably agree that the effective date of the SSA shall be 30 November 2016.

As the Sale Shares represent AWT ASIA’s entire interest in AWT PNG, AWT ASIA will cease to have any interest in AWT PNG and AWT PNG will cease to be an indirect subsidiary of the Company following the Completion as set out in paragraph 3.2 of the announcement. As such, this announcement is also made pursuant to Rule 704(17)(c) of Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

2. INFORMATION ON AWT PNG AND THE PURCHASERS

2.1 Information on AWT PNG

AWT PNG is a private liability company, incorporated and domiciled in Malaysia. The registered office of the company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur and the principal place of business of the company is located at Level 8, Grand Papua Hotel, Mary Street, Port Moresby Papua New Guinea.

The principal activity of AWT PNG is provision of engineering consulting services in oil and gas industry via project management, engineering, exploration and other related services as well as investment holding.

2.2 Information on the Purchasers

The Purchasers are two independent third parties and they are not related to any of the Directors, the controlling shareholders of the Company or their respective associates.

3. INFORMATION ON THE PROPOSED DISPOSAL

3.1 Consideration

The Consideration, which shall be satisfied in cash, was arrived at after arm’s length negotiations on a willing-buyer and willing-seller basis and after taking into consideration the rationale of the Proposed Disposal mentioned in paragraph 6 and

also taking into account the net liabilities position of AWT PNG as at 30 November 2016 mentioned in paragraph 7.

3.2 **Conditions Precedent**

Completion of the Proposed Disposal (the “**Completion**”) shall be conditional on the following conditions having been fulfilled or waived in accordance with the SSA:-

The Purchasers to be in receipt of:

- a. the original share certificates for the Sale Shares;
- b. valid and registrable memoranda of transfer for the Sale Shares duly executed by AWT ASIA in favour of the Purchasers;
- c. AWT ASIA’s Board of Directors’ resolution approving the sale and transfer of the Sale Shares to the Purchasers;
- d. resolution of the Board of Directors of AWT PNG approving the sale and transfer of the Sale Shares from the AWT ASIA to the Purchasers;
- e. resolution of the Board of Directors of AWT PNG approving the appointment of the new directors of AWT PNG;
- f. duly signed letters of resignation of two existing directors of AWT PNG; and
- g. all the statutory books duly written up to date, certificate of incorporation, the common seal, books of account, all available copies of the Memorandum and Articles of Association of AWT PNG by the Purchasers.

4. **FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**

The pro forma financial effects are presented for illustrative purposes only and are not intended to reflect the actual future financial position of the Group following the completion of the Proposed Disposal.

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 Disposal on the net tangible assets (“**NTA**”) per Share of the Group are computed assuming that the Proposed Disposal was completed on 31 December 2015;
- (b) the financial effects of the Proposed Disposal on the loss per Share (“**LPS**”) of the Group are computed assuming that the Proposed Disposal was completed on 1 January 2015; and
- (c) transactional costs incurred for the Proposed Disposal are assumed to be insignificant and as such, have not been taken in account in the computation of the financial effects.

4.1 NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	8,255	9,244

Number of Shares	190,965,893	190,965,893
NTA per Share (S\$ cents)	4.32	4.84

4.2 LPS

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to owners of the Company (S\$'000)	9,262	8,683
Weighted average number of Shares	174,462,950	174,462,950
LPS (S\$ cents)	5.31	4.98

5. **RELATIVE FIGURES UNDER RULE 1006**

Based on the audited financial statements of the Group for FY2015, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	%
(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	-11.5 ⁽¹⁾
(b)	Net loss attributable to the assets disposed, compared with the Group's net loss	9.8 ⁽²⁾
(c)	Aggregate value of the consideration to be received, compared with the Company's market capitalisation	N.M ⁽³⁾
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) The subsidiary to be disposed of is in a net liabilities position of S\$1.1 million, compared with the Group's net asset value of S\$9.3 million.
- (2) Based on net loss of S\$0.9 million attributable to the subsidiary to be disposed of for FY2015, compared with the Group's net loss of S\$8.8 million for FY2015.
- (3) Based on the Consideration of S\$0.32 (based on the Consideration of RM1 at the exchange rate as at 30 November 2016 of SGD\$1:RM3.1309) and the Company's market capitalisation of S\$21.0 million (based on the Company's existing issued share capital of 190,965,893 Shares and the VWAP of the Shares of S\$0.1100 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 SSA was entered into).
- (4) This basis is not applicable as no equity securities will be issued by the Company as consideration for the Proposed Disposal.
- (5) This basis is only applicable to a disposal of mineral, oil and gas assets, and is accordingly not applicable to the Proposed Disposal.

As the relative figure computed based on Rules 1006(b) of the Catalist Rules exceeds 5% but are less than 75%, the Proposed Disposal constitutes a "disclosable transaction" under Chapter 10 of the Catalist Rules.

6. RATIONALE FOR THE PROPOSED DISPOSAL

The Board is of the view that the Proposed Disposal is in the best interests of the Group and its shareholders. The Proposed Disposal is part of the internal restructuring exercise undertaken by the Company and is consistent with the Group's cessation of operations in Papua New Guinea and commitment to optimize profitability and operations.

7. VALUE OF AWT PNG, GAIN ON THE PROPOSED DISPOSAL AND USE OF PROCEEDS

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 November 2016, AWT PNG is in a net liabilities position of S\$1.1 million as at 30 November 2016 and the net loss attributable to AWT PNG is S\$66,000.

Based on the foregoing, the Group would expect to realise a net gain (being the proceeds arising from the Proposed Disposal as compared to the book value of AWT PNG) of S\$1.1 million. 60.75% of the gain arising from this Proposed Disposal, amounting to S\$0.7 million is attributable to the owners of the Company.

As the net cash proceeds from the Proposed Disposal is only S\$0.32 (based on the Consideration of RM1 at the exchange rate as at 30 November 2016 of SGD\$1:RM3.1309, it will not be meaningful to disclose the intended use of such proceeds.

8. 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 Disposal (other than through their respective shareholdings in the Company, if any).

9. SERVICE AGREEMENT

No person will be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal.

10. 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 Acquisition, 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.

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 Disposal is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed or that no changes will be made to the terms thereof.

12. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SSA 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 on the Proposed Disposal will be made in due course as and when appropriate.

By Order of the Board

John Grønbech
Executive Director and CEO
28 December 2016

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 Advisors Private Limited is a wholly-owned subsidiary of SAC Capital Private Limited.
