PACC OFFSHORE SERVICES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200603185Z)

ANNOUNCEMENT ON LITIGATION

The Board of Directors ("**Board**") of PACC Offshore Services Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcements dated 21 March 2016, 6 April 2016 and 13 December 2016 in relation to, amongst others, the commencement of legal action by Makamin Offshore Saudi Ltd ("**Makamin**") against POSH Saudi Company, a subsidiary of the Company.

The Board wishes to announce that the Group has been informed that the court in Saudi Arabia had considered that the Company's subsidiary, POSH Semco Pte. Ltd. ("**PSPL**"), had effectively been served court papers by Makamin.

The Group intends to vigorously contest and defend against any claim, charge or allegation made against PSPL by Makamin and will take all steps necessary to protect its reputation, its interests and the interests of its shareholders. Further announcements will be made by the Company as and when appropriate.

BY ORDER OF THE BOARD

Lim Ka Bee
Company Secretary
7 February 2017