EMAS Offshore Limited

(Incorporated in Singapore)
(UEN/Company Registration Number: 200702224N)

ANNOUNCEMENT IN RELATION TO THE VESSELS "*LEWEK ARIEL*", "*LEWEK LYNX*" AND "*LEWEK ALKAID*"

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1. NOTICE OF TERMINATION OF BAREBOAT CHARTER OF THE "LEWEK ARIEL"

1.1 The Board of Directors (the "**Board**") of Emas Offshore Limited (the "**Company**", together with its subsidiaries and associated companies, the "**Group**") wishes to announce that a notice of termination dated 2 November 2017 ("**Ariel Notice of Termination**") was given to Emas Offshore (M) Sdn Bhd ("**EMM**"), an indirect wholly owned subsidiary of the Company, to terminate the Bareboat Charter dated 17 February 2011 ("**Ariel Charter**") between Marina Morganite Shipping Limited ("**Ariel Owner**") and EMM in respect of the vessel "Lewek Ariel".

1.2 Ezra Holdings Limited ("**Ezra**") has issued a Guarantee and Indemnity dated 23 May 2014 as guarantor in favour of the Ariel Owner in respect of EMM's obligations under the Ariel Charter.

1.3 The Ariel Owner alleged, *inter alia*, in the Ariel Notice of Termination that pursuant to various termination events and breaches of material obligations of the Ariel Charter caused by EMM which have occurred and are continuing, it has elected to terminate the Ariel Charter with immediate effect.

1.4 The Ariel Owner also stated the following demands in the Ariel Notice of Termination:

(a) The vessel "Lewek Ariel" must be safely redelivered at safe anchorage in Singapore or such other port or place required by the Ariel Owner;

(b) All relevant documents and information relating to the vessel "Lewek Ariel" to be delivered to enable the Ariel Owner to take redelivery effectively; and

(c) The Ariel Charterer should agree to the joint appointment of a surveyor nominated by the Ariel Owner, so as to determine and agree to the condition of the vessel "Lewek Ariel" at the time of redelivery.

2. NOTICE OF TERMINATION OF BAREBOAT CHARTER OF THE "LEWEK LYNX"

2.1 The Board wishes to announce that a notice of termination dated 2 November 2017 ("**Lynx Notice of Termination**") was given to EMM to terminate the Bareboat Charter dated 31 October 2014 ("**Lynx Charter**") between Marina Moss Shipping Limited ("**Lynx Owner**") and EMM in respect of the vessel "Lewek Lynx".

2.2 Ezra has issued a Charter Guarantee and Indemnity dated 31 October 2014 as guarantor in favour of the Lynx Owner in respect of EMM's obligations under the Lynx Charter.

2.3 The Lynx Owner alleged, *inter alia*, in the Lynx Notice of Termination that pursuant to various termination events and breaches of material obligations of the Lynx Charter caused by EMM which have occurred and are continuing, it has elected to terminate the Lynx Charter with immediate effect.

2.4 The Lynx Owner also stated the following demands in the Lynx Notice of Termination:

(a) The vessel "Lewek Lynx" must be safely redelivered at safe anchorage in Singapore or such other port or place required by the Lynx Owner;

(b) All relevant documents and information relating to the vessel "Lewek Lynx" to be delivered to enable the Lynx Owner to take redelivery effectively; and

(c) The Lynx Charterer should agree to the joint appointment of a surveyor nominated by the Lynx Owner, so as to determine and agree to the condition of the vessel "Lewek Lynx" at the time of redelivery.

3. NOTICE OF TERMINATION OF BAREBOAT CHARTER OF THE "LEWEK ALKAID"

3.1 The Board wishes to announce that a notice of termination dated 2 November 2017 ("**Alkaid Notice of Termination**") was given to EMM to terminate the Bareboat Charter dated 26 April 2011 ("**Alkaid Charter**") between Marina Tanzanite Shipping Limited ("**Alkaid Owner**") and EMM in respect of the vessel "Lewek Alkaid".

3.2 Ezra has issued a Guarantee and Indemnity dated 7 May 2014 as guarantor in favour of the Alkaid Owner in respect of EMM's obligations under the Alkaid Charter.

3.3 The Alkaid Owner alleged, *inter alia*, in the Alkaid Notice of Termination that pursuant to various termination events and breaches of material obligations of the Alkaid Charter caused by EMM which have occurred and are continuing, it has elected to terminate the Alkaid Charter with immediate effect.

3.4 The Alkaid Owner also stated the following demands in the Alkaid Notice of Termination:

(a) The vessel "Lewek Alkaid" must be safely redelivered at safe anchorage in Singapore or such other port or place required by the Alkaid Owner;

(b) All relevant documents and information relating to the vessel "Lewek Alkaid" to be delivered to enable the Alkaid Owner to take redelivery effectively; and

(c) The Alkaid Charterer should agree to the joint appointment of a surveyor nominated by the Alkaid Owner, so as to determine and agree to the condition of the vessel "Lewek Alkaid" at the time of redelivery.

4. GENERAL

4.1 The Company and EMM are seeking legal advice in respect of the Ariel Notice of Termination, Lynx Notice of Termination and Alkaid Notice of Termination (collectively the "**Notices of Termination**") and the Company is assessing the impact of the Notices of Termination against the Group.

4.2 Notwithstanding the Ariel Notice of Termination and the Alkaid Notice of Termination, the Company and EMM are in discussions with the Ariel Owner and the Alkaid Owner (collectively, the "**Owners**") as well as the Owners' principal financier to enter into a new commercial arrangement in respect of the vessels "Lewek Ariel" and "Lewek Alkaid" ("**Vessels**"). The objective of the new commercial arrangement is to allow for a mutually beneficial arrangement such that the Group will continue to manage and market the Vessels (as the case may be) for chartering contracts on behalf of the Owners and their principal financiers, while ensuring that the existing contracts with the end-charterers of the Vessels would continue to subsist and not be impacted.

4.3 Pending the outcome of the on-going discussions, there is an informal standstill in respect of the termination of the Ariel Charter and the Alkaid Charter and the Group is continuing to fulfil its contractual obligations under the existing contracts with the end-charterers of the Vessels with no disruption to the Group's charter operations.

4.4 In relation the vessel "Lewek Lynx", the vessel is currently off-hire. The Company and EMM are in discussions with the Lynx Owner and its principal financier to (i) effect re-delivery of the vessel "Lewek Lynx"; and (ii) to enter into a new commercial arrangement such that the Group will continue to manage and market the vessel "Lewek Lynx" for chartering contracts and for sale (as the case may be) on behalf of the Lynx Owner and its principal financier.

4.5 Further announcements will be made by the Company as and when there are any material developments to the above matters.

4.6 When in doubt as to the action they should take, shareholders and potential investors should consult their financial, tax or other advisers.

This announcement is subject to disclosure in accordance with section 5-12 of the Norwegian Securities Trading Act.

By Order of the Board

Lee Kian Soo
Director
5 December 2017