EMAS OFFSHORE ANNOUNCES SALE OF SHARES IN PV KEEZ FPSO TO PETROFIRST INFRASTRUCTURE

Extended Stock Exchange Notice: Emas Offshore Limited – Sale of Shares in PV Keez Pte Ltd

The Company's admission to and listing on the SGX-ST is sponsored by DBS Bank Ltd.

1. The transaction, the background and the parties

Reference is made to EMAS Offshore Limited's ("**EMAS**" or the "**Company**") stock exchange announcement dated 14 April 2016 regarding the potential sale of shares in PV Keez Pte Ltd ("**PV Keez**").

EMAS Offshore Production Service (Vietnam) Pte Ltd ("**EOPS**"), a fully owned subsidiary of EMAS, and Ezra Holdings Limited ("**Ezra**"), the holding company of EMAS, have on 1 July 2016 entered into a share purchase agreement (the "**SPA**") for the sale of a combined equity share of 80 % in PV Keez to PetroFirst Infrastructure 2 Limited ("**PetroFirst**" or the "**Purchaser**"), part of PetroFirst Infrastructure Partners, a joint venture between First Reserve, a leading global private equity and infrastructure investment firm focused exclusively on energy, and Petrofac, a leading international service provider to the oil & gas production and processing industry quoted on the London Stock Exchange (the "**Transaction**").

PetroFirst Infrastructure Partners was established to deploy capital in certain energy infrastructure projects. The venture currently includes two floating, production, storage and offloading vessels and a mobile offshore production unit vessel. Ezra controls approximately 75.5% of the issued shares in EMAS, and the agreement consequently constitutes a related party agreement for the Company.

To comply with its duties as a company listed on the Main Board of the Singapore Stock Exchange, Ezra has also released an announcement regarding the Transaction. The announcement is available here at www.ezraholdings.com/press.php.

Under the terms of the SPA, EOPS has agreed to sell its common equity interest of approximately 41.7% in PV Keez, whereas Ezra has agreed to sell a common equity interest of approximately 38.3%, as well as its entire stake in the redeemable cumulative preference shares of the same company.

PV Keez is incorporated in Singapore and owns *Lewek EMAS* (the "**Vessel**"), which is chartered to Premier Oil Vietnam Offshore BV (the "**Charterer**") as operator of the Chim Sao field offshore southern Vietnam.

The Transaction is entered into on an arm's length basis and is subject to customary conditions including approvals from Ezra's shareholders. Completion of the Transaction is expected to take place on or before 30 September 2016 (the "**Closing Date**"). In the announcement made by the Company on 14 April 2016 it was stated that completion was expected to take place no later than on 30 June 2016. As the final documentation was completed today, the Closing Date has accordingly been somewhat delayed. Pursuant to the terms of the SPA, the Purchaser and the vendors, respectively, have been

granted certain put and call options in respect of the shares that are subject of the Transaction; for further information, please refer to section 3 below.

It is expected that the net proceeds arising from the Transaction will be utilised by EOPS for debt repayment, working capital and general corporate requirements.

2. Transaction consideration

Under the terms of the SPA, the aggregate consideration to be received by EOPS shall be an amount in cash equal to:

i. USD 17,750,000, less the aggregate amount of shareholders' loan made by EOPS to PV Keez including all accrued interests outstanding as at 31 May 2016 amounting to USD 6,944,941 (the amount so calculated being the "**Closing Amount**"), and to be paid on the Closing Date;

ii. deferred consideration, subject to certain exceptions, in the maximum aggregate amount of USD 63,000,000 (the "**Deferred Consideration**"), to be determined on the basis of 20.9% of certain excess operating cash flows in PV Keez generated from the Vessel, if any, to be received by Petrofirst in the form of shareholder distributions or shareholder loans during the period from 1 January 2021 to (and including) 31 December 2025, and such amounts, if any, net of relevant costs, taxes and other specified amounts, to be paid annually.

The calculation of the consideration for the Transaction is subject to customary adjustments and allocation of certain potential receivables (if any). The consideration has been agreed upon on a willing buyer willing seller basis. The Closing Amount has been calculated with reference to the enterprise value of PV Keez as at 31 December 2015, and on a cash-free, debt-free basis.

3. Post-completion options

Pursuant to the terms of the SPA, EOPS and Ezra (together, the "**Vendors**") shall grant to the Purchaser a put option (the "**Put Option**") in respect of the shares transferred from the Vendors to the Purchaser (the "**Option Shares**") and the Purchaser shall grant to the Vendors a call option (the "**Call Option**") in respect of the Option Shares. The Put Option and the Call Option may be exercised by the Vendors and the Purchaser respectively, within 10 business days following the occurrence of any of the events set out below (each, an "**Option Event**") in respect of all (and not some only) of the Option Shares:

(i) the occurrence of 31 July 2020:

(a) in circumstances where no notice to extend the charter period beyond 31 December 2020 has been given by the Charterer of the Vessel under and in accordance with the relevant charter agreement (the "**Relevant Charter Agreement**"); or

(b) following termination of the Relevant Charter Agreement; or

(ii) if notice has been given by the Charterer to extend the charter period under the Relevant Charter Agreement beyond 31 December 2020, the occurrence of 31 July in a yearly

extension period in circumstances where the Charterer has not given such a notice to extend the charter period beyond the end of such yearly extension period.

On completion of the sale and purchase of the Option Shares following the exercise of the Put Option or the Call Option (as the case may be), the Vendors shall pay the sum of USD 12,000,000 in cash to the Purchaser, representing the amount of the option price attributable to the Put Option or the Call Option (as the case may be) on a debt-free and cash-free basis (the "**Option Price**"). The Option Price shall, however, be subject to certain adjustments, depending on the net working capital and amount of total liabilities of PV Keez at such time.

4. Additional information about PV Keez

PV Keez is a single purpose company which owns the Vessel. The Vessel is currently on a charter contract operating on Vietnam's Chim Sao oil project with Premier Oil Vietnam Offshore B.V.

The current board of directors of PV Keez are:

- Lai Kai Jin Michael – Chairman
- Chia Hock Chye Michael - Board Member
- Pham Viet Anh - Board Member
- Edmund Mah Soot Khiang (alternate director to Chia Hock Chye Michael)

The top senior management is Joseph Azran Alemberg, Chief Projects Officer.

PV Keez does not have any employees and all management functions have been carried out by the Company.

As at the date of this extended stock exchange announcement, PV Keez has a total issued and paid-up share capital of USD 178,000,000, comprising 150,000,000 ordinary shares and 28,000,000 redeemable cumulative preference shares.

The key financial numbers are (all numbers in MUSD):

Year	Revenue	Profit	Total Assets	Total Debt
2013	75.4	5.4	421.0	202.5
2014	97.7	17.6	396.7	164.7
2015	84.6	12.7	384.0	126.9

5. The significance of the Transaction for EMAS

The Transaction is consistent with EMAS' strategy of moving away from the ownership of FPSO assets and instead to leverage on the experience in FPSO conversion to provide value-added services to third parties. The Transaction will also enable EMAS to strengthen its financial position and refocus the Company's business in the offshore support sector during the current challenging times in the oil and gas sector.

6. Agreements with senior management or board of directors

There are no agreements entered into, or that are planned to be entered into, in connection with the Transaction for the benefit of senior employees or members of the board of directors of EMAS and Ezra or for the senior employees or board of directors of PV Keez.

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This notice is made pursuant to the Oslo Stock Exchange's Continuing Obligations section 3.4 and is subject to disclosure in accordance with the Norwegian Securities Trading Act section 5-12.

EMAS is dual listed on the Oslo Stock Exchange and the Singapore Stock Exchange, with the former as its primary listing place.

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