

PRESS RELEASE

SGX-Listed EMS Energy Proposes Merger With Turnkey EPCM Provider Koastal Group For S\$150M; Accelerates Transformation To An Integrated O&M Services Provider

- **The proposed merger will transform the enlarged group into a turnkey EPCM service provider with both manufacturing and fabrication capabilities for larger higher-value projects.**
- **Purchase of Koastal Group via issue of new EMS shares worth S\$125.7 million and cash consideration of S\$24.3 million**
- **The enlarged group will create synergies that will diversify its earnings base, enhance long-term shareholder value and increase market capitalization**

Singapore, 24 April 2015 – SGX Catalist-listed EMS Energy Limited (“EMS” and together with its subsidiaries, the “Group”) announced today its plans to merge with Koastal Pte Ltd and its subsidiaries (the “Koastal Group”), an Engineering, Procurement and Construction Management (“EPCM”) player, in a major share and cash transaction for S\$150.0 million.

EMS said it had entered into a non-binding Memorandum of Understanding (“MOU”) to acquire an investment holding company which will hold Koastal Group – if approved by the authorities and EMS shareholders – will transform the enlarged group into an integrated offshore and marine (“O&M”) services provider which can provide manufacturing and fabrication for larger and higher-value projects.

EMS, a provider of engineering O&M solutions, customized equipment and contract manufacturing, intends to satisfy the S\$150.0 million via the issue of S\$125.7 million worth of new EMS shares at S\$0.345 each and a cash payment of S\$24.3 million to the vendors, namely Mr. Ting Teck Jin (“Mr. Ting”) and Mr. Ting Teck Seh. Koastal Group is valued at US\$143.1 million (approximately S\$192.8 million) by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

Mr. Ting, Executive Chairman and Chief Executive Officer of EMS, is EMS’s single largest shareholder.

Koastal Group is principally engaged in providing engineering, procurement and construction management (EPCM) services, as well as installation, commissioning and rig and marine equipment repair services to marine and offshore oil and gas (“O&G”) companies. It is also engaged in trading as a distributor and agent of products for the marine and offshore O&G companies.

EMS and Koastal Group have worked closely since 2010, leveraging on their different services and strengths to tender for and implement larger marine, O&G projects.

EMS has outlined a strategy to take on larger O&G projects and improve operational and internal efficiencies. It has also started work on a larger waterfront facility in Tuas, Singapore, expected to be completed in 2016. The proposed merger will allow EMS to scale up the value chain more aggressively, improve efficiencies, diversify its revenue streams and capture higher-margin, larger-scale projects.

Prior to the merger, EMS will first consolidate its shares on the basis of every 15 existing shares to 1 consolidated share (“Share Consolidation”) which will reduce its share capital base from 1,480,709,604 to 98,713,973. This will help raise the profile of the Group amongst institutional investors and increase research coverage. Following the Share Consolidation, EMS will issue up to 364,446,896 new consolidated EMS shares at S\$0.345 each, which will enlarge EMS’ total share capital base to 463,160,869 consolidated shares.

The enlarged business after the merger will result in a stronger financial position with Net Tangible Assets (“NTA”) per share increasing from 1.91 cents to 9.67 cents and Earnings Per Share (“EPS”) increasing from 0.06 cents to 3.26 cents. The business prospects are expected to increase and will enhance the investors’ interest and confidence in the enlarged group. It will also allow EMS to tap the capital markets more effectively while improving the liquidity of its shares.

Koastal Group recorded revenue of S\$93.1 million with a net profit of S\$14.3 million for the financial year ended 31 December 2014 based on the unaudited pro forma financial information. Its total assets as at 31 December 2014 stands at S\$124.5 million.

Mr. Ting said, “The proposed acquisition will accelerate EMS’ strategic shift up the value chain, transforming the Group into an integrated one-stop solutions provider for the marine and offshore oil and gas industries. We will harness the synergies to fuel a new phase of growth that will enhance long-term shareholder value.”

Prior to the completion of the proposed transaction, Koastal Group will undergo a restructuring exercise that will include the disposal of its equity interest in EMS, NVS Holdings Pte. Ltd., NVS (Singapore) Pte. Ltd., and Nosco-Vinalines Ship Repair Company.

The acquisition is subject to approval by the Singapore Exchange and EMS shareholders at an extraordinary general meeting to be convened.

- End of Press Release -

Media & Investor Contact Information

Xprexo Networks Pte Ltd

Ian Lau, info@xprexo.net

Tel: (65) 6532 7051

EMS Energy Limited

Haze Zhang, haze@emsenergy.com.sg

Tel: (65) 6861 2722

About EMS Energy Limited

Listed in 2003, EMS Energy Limited is an established provider of engineering solutions for the marine, oil and gas industries. Established in 1977, EMS Energy designs, manufactures and installs engineering solutions and products such as drilling and well intervention systems, deck machineries, offshore cranes, and other mechanical load handling systems. In addition, it also offers its customers’ aftermarket services such as commissioning, inspection, training, conversion, retrofitting, maintenance, repair and overhaul as well as spare parts procurement. With its track record, experience and expertise along with certifications from the American Petroleum Institute, EMS Energy serves customers across China, Europe, India, Indonesia, Malaysia, Russia, Singapore, South Africa, Thailand, United Arab Emirates, United States, and Vietnam.

About Koastal Group

The Koastal Group is principally engaged in providing engineering, procurement and construction management (EPCM) services, as well as installation, commissioning and rig and marine equipment repair services to marine and offshore O&G companies. It is also engaged in trading as a distributor and agent of products for the marine and offshore O&G companies.

More information on EMS Energy is available at www.emsenergy.com.sg

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor 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 Alvin Soh, at 8 Anthony Road #01-01 Singapore 229957, telephone (65) 6590 6881.