



For Immediate Release

VARD ASSERTS CONTROL OVER NEW SHIPYARD IN BRAZIL, VARD PROMAR

Singapore, 5 August 2016 – Vard Holdings Limited (“VARD”), one of the major global designers and shipbuilders of offshore and specialized vessels, is pleased to announce that it has increased its ownership stake in its indirect subsidiary in Brazil, Vard Promar, to 95.15%.

Vard Promar, previously held 50.5% by VARD’s wholly-owned subsidiary, Vard Group AS, and 49.5% by a local partner, PJMR Empreendimentos Ltda. (“PJMR”), is the newest shipyard asset in the VARD portfolio. Following the recent closure of the Vard Niterói shipyard, the Group will concentrate all its Brazilian shipbuilding activities on the new yard, located in the Suape industrial area, in the state of Pernambuco.

The shipyard, built between 2011 and 2013, has so far delivered one Liquefied Petroleum Gas (LPG) carrier for Transpetro, and is in the final stages of construction of a second one. Furthermore, the yard has two more LPG carriers in the order book, in addition to two advanced Pipelay Support Vessels (PLSV) for a joint venture between DOF and Technip.

During the ramp-up phase, Vard Promar had incurred financing needs, largely funded by VARD through shareholder loans. The increase in shareholdings results from a capital increase in Promar that, not being underwritten by minorities, is entirely taken up by Vard Group AS through the conversion of shareholder loans into newly issued equity, with no cash consideration. The capital increase leads to a more balanced financial structure for the yard and lays the basis for stable operations going forward.

As part of an overall agreement resolving the relations between VARD and its long term partner in Brazil, PJMR, and providing for an amicable termination of the partnership, the parties have agreed put and call options for PJMR’s remaining 4.85% shareholding in Vard Promar.

The transaction underscores VARD’s ambitions and commitment to remain a key player in Brazilian shipbuilding, supporting the local oil and gas industry. At the same time, gaining full control of the yard increases VARD’s strategic options to adapt its presence in Brazil to expected future market demand.

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About VARD

Vard Holdings Limited ("VARD"), together with its subsidiaries (the "Group"), is one of the major global designers and shipbuilders of offshore and specialized vessels. Headquartered in Norway and with approx. 10,000 employees, VARD operates nine strategically located shipbuilding facilities, including five in Norway, two in Romania, one in Brazil and one in Vietnam. Through its specialized subsidiaries, VARD develops power and automation systems, deck handling equipment, and vessel accommodation solutions, and provides design and engineering services to the global maritime industry.

VARD's long shipbuilding traditions, cutting-edge innovation and technology coupled with its global operations ensure access to the fastest growing oil exploration markets. The Group's expertise and track record in constructing complex and highly customized offshore and specialized vessels have earned it recognition from industry players and enabled it to build strong relationships with its customers.

VARD was listed on the Main Board of the Singapore Exchange on 12 November 2010. Majority shareholder Fincantieri Oil & Gas S.p.A., a wholly owned subsidiary of FINCANTIERI S.p.A., owns 55.63% in the Group. Headquartered in Trieste, Italy, FINCANTIERI is one of the world's largest shipbuilding groups and has, over its 200 years of maritime history, built more than 7,000 vessels.

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