

PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)

(the "**Company**")

UPDATE TO BONDHOLDERS

The Company wishes to inform holders of the Company's securities that the attached notice was issued by the Company on 13 June 2016 to the holders of the Company's S\$200 million 8.50% bonds due 2017.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary

Singapore, 13 June 2016

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

UPDATE TO BONDHOLDERS

PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)

(the "**Company**")

Relating to the
S\$200 million 8.50% bonds due 2017
issued by the Company

Common Code 109021997

ISIN XS1090219970

The Company wishes to provide the following update to the holders of the S\$200,000,000 8.50% bonds due 2017 (the "**Bonds**", and holders of the Bonds, the "**Bondholders**").

Informal Steering Committee ("ISC"): One of the key objectives of the ISC is to enhance communications with the Bondholder community in relation to updates that the Company intends to make to Bondholders in respect of the Bonds. Accordingly, it has been decided that a legal representative of the ISC will be available to all Bondholders for contact by email. That representative will be able to provide on request general information on developments discussed by the ISC, but will not be in a position to provide legal advice to individual Bondholders. Individual Bondholders are advised to seek their own independent legal advice in this regard. As part of this initiative, the ISC has now engaged Advocatus Law LLP as its legal representative.

Bondholder Contact: Bondholders may contact the ISC's legal representative, Mr Suresh Nair and/or Mr Bryan Tan, of Advocatus Law LLP at: pard.isc@advocatus.sg.

In addition, if Bondholders are seeking information about the Company, they may continue to contact Geoff Walsh at: geoffrey.walsh@pacificandes.com.

Next Steps: The Company will continue to meet with the ISC and provide updates to the Bondholders on any material developments.

In accordance with normal practice, none of the trustee or any of its officers, employees or affiliates expresses any opinion on the information set out in this notice. Bondholders who are unsure of the impact of such information should seek their own independent financial, legal and taxation advice.

Singapore

13 June, 2016