NauticAWT Limited

(Company Registration Number: 201108075C)
(Incorporated in the Republic of Singapore)

ENTRY INTO A BINDING TERM SHEET WITH RESPECT TO PROPOSED DISPOSAL OF FARM-IN INTEREST IN BLOCK VIIB, WEST GEORGIA

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

The Board of Directors (the "**Board**") of NauticAWT Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the captioned subject and the announcement released by the Company on 27 July 2018 in respect of the same (the "**Announcement**") and appends its corresponding replies as follows.

Unless otherwise defined, capitalized terms used herein shall bear the same meaning ascribed to them as in the Announcement.

1. **Para 4.3** ***" The First and Second US$40K, together with a sum of US$80,000 loan from QP to NauticAWT Energy prior to the entry into this Term Sheet, totalling US$160,000 in aggregate (collectively known as the "QP Loan") will be secured by a corporate guarantee by the Company. The interest for QP Loan is 8% per annum."*** **– When will/has the US$80,000 loan be/been disbursed? Is it upon certain conditions?**

The initial US$80,000 loan was disbursed (from QP to NauticAWT Energy) in March and April 2018, secured against the invoices issued by NauticAWT Energy in February and March 2018. It was mutually agreed by both parties for QP to provide temporary loan in the interim prior to the finalizing of the binding term sheet, since the said US$80,000 was lent for purposes of the Block VIIB PSC operations only.

The initial US$80,000 loan was recorded in our books as *loan from QP* under liabilities directly associated with assets classified as held for sale but no interest has been recorded.

2. **Para 4.5** ***"Subject to the prior written approval of NauticAWT Energy, QP may elect to advance additional funds or undertake capital expenditure towards securing the MWP Support Letter ("Additional Funds"). Any Additional Funds advanced by QP in this regard will constitute as a loan from QP to NauticAWT Energy and shall be treated parri passu to the QP Loan."*** **– Will Vectra, which similarly hold 50% interest in the Block VIIB PSC as do NauticAWT Energy, be taking up the proportional 50% Additional Funds loan amount? Why?**

Vectra will not take up the 50% proportion of the Additional Funds loan amount. Under the terms of the Farm-In Agreement entered between NauticAWT Energy and Vectra, NauticAWT is required to fund 100% of the capital expenditure of the Block VIIB PSC. As such the Additional Funds (if any) are to be borne by NauticAWT Energy only.

3. How was the NEPL Consideration of US$3,000,000 arrived at?

The NEPL Consideration of US$1,500,000 out of the total consideration of US$3,000,000 was derived at based on willing buyer and willing seller basis and taking into consideration the following factors:

(i) the NEPL Consideration will be paid in cash; and

(ii) the net book value of USD2.6million as at 30 June 2018.

4. Is there a need to seek shareholders' approval for the disposal of its interest in Block VIIB and why?

Based on the Company's preliminary calculations, the relative bases computed on the bases of Rule 1006 are set out below. As the ratio under Rule 1006(a) crosses 50%, shareholders' approval for the disposal of its interest in Block VIIB PSC will be required. Further announcements will be made when the Company enter into the definitive agreement in due course or as and when appropriate.

Rule 1006		
(a)	Net asset value of assets to be disposed of, as compared with the Group's net asset value (1)	272.99%
(b)	Net losses attributable to the assets disposed of, compared with the Group's net losses (2)	36.09%
(c)	Aggregate value of the consideration received, compared with the Company's market capitalization (3)	37.09%
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A

(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	N.A

Notes:

1. Based on the unaudited consolidated financial statements of the Group for the half year ended 30 June 2018 ("**HY2018**"), the net book value of NEPL's interests in Block VIIB is approximately USD2.6 million, compared to the Group's net asset value of USD0.96 million.

2. Based on the unaudited consolidated financial statements of the Group for HY2018, the Group recorded a net loss after tax of approximately USD0.35 million. Based on the unaudited management accounts of NEPL for HY2018, the losses attributable to NEPL's interests in Block VIIB is approximately USD0.12 million.

3. Based on the NEPL Consideration of US$1.5 million and the Company's market capitalisation of S$5.52 million (based on the Company's existing issued share capital of 212,333,525 Shares and the volume weighted average price of the Shares on Catalist of S$0.026 for trade done on 5 July 2018, being the last full market day preceding the date of the Term Sheet in which Shares were traded on Catalist.

4. The calculations above are based on the exchange rate of US$1 : S$1.3650 as at 30 June 2018.

By Order of the Board

John Grønbech
Executive Director and CEO
7 August 2018

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST 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.

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