



RICKMERS MARITIME
Registration Number: 2007003
(Constituted under the laws of Singapore)
Managed by Rickmers Trust Management Pte. Ltd.

**UPDATE ON THE S\$100 MILLION 8.45 PER CENT. NOTES DUE 2017
(ISIN NO. SG6QC6000001) (THE "NOTES")
Notice of Injunction Application by a Single Noteholder**

Rickmers Trust Management Pte. Ltd., in its capacity as trustee-manager (the "**Trustee-Manager**") of Rickmers Maritime (the "**Trust**"), wishes to announce that it was served at the close of business on Friday 12 May 2017 with an originating summons from a single individual noteholder (the "**Plaintiff**"), Mr. Kwok Kian Tow Peter, holding S\$250,000 of the above Notes seeking an injunction to stop the sale of the vessels owned by the Trust to Navios Partners Containers Inc. and Navios Partners Containers Finance Inc. which was announced on 21 April 2017 (the "**Navios transaction**"). The hearing is fixed for Monday morning on 15 May 2017.

The Plaintiff has not previously communicated with the Trustee-Manager as to this matter and the injunction application was completely unanticipated by the Trust.

The Trustee-Manager is of the view that the injunction application is wrongful and seriously jeopardises the unsecured creditors' partial recovery of their investment. Under the terms of the trust deed establishing the Notes ("**Notes Trust Deed**"), only the Notes Trustee namely DB International Trust (Singapore) Limited can take legal action on behalf of the noteholders. The Plaintiff has bypassed the Notes Trustee in making this application on his own and in doing so, he has violated the terms of the Notes Trust Deed. This is unprecedented in the history of the bond market in Singapore and, if allowed, will disrupt the bond market processes, negate its longstanding legal foundations and open up a floodgate for individual noteholders to commence disruptive legal action on their own, completely disregarding the terms of the Notes Trust Deed.

In his application for the injunction, the Plaintiff also seeks to be exempted from an undertaking as to damages to be provided to the court in case the injunction is found to be wrongful. This is highly unorthodox and would seriously and irreparably harm the orderly winding up process of the Trust if the injunction is to proceed against all known norms.

The Trustee-Manager has continuously engaged noteholders and through emails, meetings and SGX announcements explained all the necessary steps taken in the failed attempt to restructure the debt of the Trust. The original restructuring proposal that was presented to the noteholders clearly explained that if the restructuring proposal was rejected by noteholders, there was little likelihood of any repayment to the unitholders or the noteholders. Notwithstanding the transparency of the process, and its consequences, the noteholders voted to reject the consent solicitation on 21 December 2016. While the Trustee-Manager has made all reasonable efforts to find investors to salvage the Trust after the rejection of the restructuring proposal by the noteholders, it was not able to do so, due to the uncertainty of the noteholders supporting any subsequent proposals for debt reduction.

As the Trust is suffering an acute illiquidity situation and can obtain no sustainable relief or additional financing to cover cash burn on laid-up, idle and spot trading vessels, it had no other options but to proceed with the sale of its assets without delay in order to avoid liens and vessel arrests which would be highly damaging to both secured and unsecured parties.

The Navios transaction, the value of which is supported by independent, third-party valuations, was the only deal on the table that was imminently executable, thereby addressing the illiquidity of the Trust. At the same time, the transaction monetizes future value up-front that may, in a disorderly or protracted wind-up, be otherwise substantially reduced. Such sale, assuming it closes within a reasonable amount of time (as is expected), will result in up-front cash recoveries, soon after closing,

of approximately between 8 percent to 10 percent to unsecured creditors payable through an escrow arrangement comprising of some US\$20 million from the sales proceeds and cash on hand, to the extent said cash is not used to settle vessel payables and wind-up costs. The recoveries to the unsecured creditors will be further reduced if there is further delay in the completion of the vessels sale because a majority of these vessels are continuously burning cash for their operations which only aggravates already existing operational accruals.

The manner in which the injunction is being sought, without relief for damages available to the Trust, places the Trust and its unsecured creditors (including noteholders) in an untenable position, as the Trust does not have cash to fund operations, and cannot dispose of assets either. The likely outcome of this situation, if not resolved, is liens and vessel arrests, with potential resulting cargo claims, distressed disposals and extensive legal costs. Therefore, the Trustee-Manager will be resisting the injunction application vigorously.

The Trustee-Manager urges all secured creditors to remain calm and abide by current reservation of rights arrangements and to specifically not foreclose on the Trusts' assets until this matter is resolved as such foreclosures could potentially be value destroying to both secured and unsecured creditors.

The Trust will be unable to repay the principal of the Notes, nor interest, due 15 May 2017.

The Trustee-Manager will provide further update announcements on SGXNET, or via the creditors' respective agents and Notes Trustee, as appropriate.

By Order of the Board of
Rickmers Trust Management Pte. Ltd.
as Trustee-Manager of
Rickmers Maritime
14 May 2017