CH OFFSHORE LTD.
(Incorporated in the Republic of Singapore)
(Registration Number: 197600666D)

THE PROPOSED ADOPTION OF THE EMPLOYEE SHARE OPTION SCHEME TO BE KNOWN AS THE "CH OFFSHORE EMPLOYEE SHARE OPTION SCHEME"

The Directors of CH Offshore Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") are pleased to announce a proposal to adopt the employee share option scheme to be known as the "CH Offshore Employee Share Option Scheme" (the "**Scheme**"), subject to the approval of the Company's shareholders at an extraordinary general meeting to be convened.

The Scheme, when adopted, will provide eligible participants (the "**Participants**" and each a "**Participant**") with an opportunity to participate in the equity of the Company as well as to motivate them to perform better through increased loyalty and dedication to the Group.

This Scheme is a share incentive plan. This Scheme is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees, non-executive Directors and independent Directors who have contributed to the growth of the Group. This Scheme will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

(a) the motivation of each Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) the retention of key employees and Directors whose contributions are essential to the long-term growth and profitability of the Group;

(c) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Group;

(d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Company's shareholders; and

(e) to align the interests of the Participants with the interests of Company's shareholders.

It is proposed that the Scheme be extended to non-executive and independent Directors who, although not involved in the day-to-day running of the Group's operations, play an invaluable role in furthering the business interests of the Group by contributing their experience and expertise.

Persons who are controlling shareholders of the Company or their associates (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) (the "**SGX-ST**") are not eligible to participate in the Scheme.

The Company will be making an application to the SGX-ST for the listing and quotation of the new shares to be issued pursuant to the Scheme shortly.

A circular setting out further information on the Scheme will be despatched to shareholders in due course.

By Order of the Board

Lim Mee Fun
Company Secretary
28 March 2016