

ANNOUNCEMENT

NOTICE OF TERMINATION OF CONTRACT BY JURONG SHIPYARD PTE. LTD. ("JSPL") – PURCHASE CONTRACT FOR SUPPLY, SUPERVISION OF INSTALLATION, TESTING, AND COMMISSIONING OF THE ANCHOR WINCH SYSTEM PACKAGE (THE "CONTRACT")

The board of directors (the "**Board**") of EMS Energy Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to inform shareholders that EMS Energy Solutions Pte. Ltd. ("**EES**"), a wholly-owned subsidiary of the Group has, on 13 January 2017 received a letter from JSPL terminating the abovementioned Contract and has also made a claim under a bank guarantee furnished by EES to JSPL for the sum of SGD110,000 (the "**Termination Letter**"). The total contract sum for the Contract is SGD1.1 million and to-date, EES has received SGD330,000 in progressive milestone payment from JSPL under this Contract.

As the Termination Letter may impact the proposed schemes of arrangement filed with the High Court of Singapore on 28 September 2016, the Company will be seeking legal advice in relation to (i) its recourse against JSPL including compensation for components/goods that had been delivered under this Contract; and (ii) the claim for compensation for non-performance from the sub-contractors that EES has engaged for this Contract. The Company will update shareholders on any material developments, including the impact of termination on any of the proposed schemes of arrangement which entities in the Group have filed with the High Court of the Republic of Singapore.

By Order of the Board
EMS Energy Limited

Ting Teck Jin
Executive Chairman
13 January 2017

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

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.*

The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.