

NEWS RELEASE

NAM CHEONG KICKS-OFF 2015 WITH CONTRACT WINS FOR TWO VESSELS WORTH APPROXIMATELY US\$58 MILLION¹

- ***Continues to secure confidence of repeat customers with:***
 - ***One Accommodation Work Vessel sold to Marco Polo Marine Ltd;***
 - ***One Anchor Handling Towing Supply Vessel sold to Topaz Energy and Marine Limited;***
- ***Reaches cumulative order book worth RM1.7 billion²;***
- ***Global presence increases revenue streams and buoys business stability;***
- ***Continues to optimise costs and deliver quality vessels driven by cost and fuel efficiencies to customers.***

Singapore, March 11, 2015 – Nam Cheong Limited (“南昌有限公司”) (“**Nam Cheong**”, or together with its subsidiaries, the “**Group**”), a leading global offshore marine player listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX**”) and Malaysia’s largest Offshore Support Vessel (“**OSV**”) builder, today announced that it has sold two vessels worth approximately US\$58 million to two repeat customers.

¹ Approximately S\$80.3 million based on an exchange rate of S\$1.00 to US\$0.72192

² Approximately S\$637.8 million based on an exchange rate of S\$1.00 to RM2.6655

Mr Leong Seng Keat (“梁成杰”), Nam Cheong’s Chief Executive Officer said, “We are delighted to kick-off 2015 with the securing of two new contracts. With these contracts, it brings our cumulative order book to a robust RM1.7 billion, pointing to the credibility and soundness of our reputation as a shipbuilder amidst an outlook of uncertainties in the macro environment. In particular, we are heartened to have attained the vote of confidence from our repeat customers for the continued demand for our vessels.”

A 200-men Accommodation Work Vessel (“AWV”) was sold to a subsidiary of a repeat customer, SGX Mainboard listed Marco Polo Marine Ltd (“MPML”) for imminent delivery in the next quarter. MPML is an integrated offshore supply and marine logistic group with an established track record in the chartering of OSVs in the region. The previous purchase was made on August 19, 2014 by a joint venture company co-owned by MPML and Nam Cheong for a vessel with specifications similar to the new order.

In addition, one 12,000 bhp Anchor Handling Towing Supply Vessel (“AHTS”) was also sold to a repeat customer based in Dubai, Topaz Energy and Marine Limited (“Topaz”), a leading OSV company providing marine solutions to the global energy industry. Nam Cheong last sold three Platform Supply Vessels (“PSVs”) to Topaz in July 2014.

Mr Leong added, “Over the years, our strategy in setting our sights further afield the region and in extending our footprints across the world has paid off on several fronts. On one hand, we added a larger base of customers which translates to a higher stream of revenue. On the other, this strategy also buoys our business stability through the greater diversification of geographical and customer concentration risks.

“Internally, we remain committed to optimising our cost structure to weather the volatility in oil prices. With a continued glut in oil supply, we believe our proposition of being a partner to our customers by providing them with quality vessels driven by cost and fuel efficiencies is more important than ever. By doing so, it increases the bidding competitiveness of our customers for charter contracts, placing us in a mutually beneficial and virtuous cycle of landing additional contracts in the future. We believe Nam Cheong will emerge stronger once the clouds of macroeconomic uncertainties scatter.”

The two vessels are of American Bureau of Shipping (ABS) class and are being constructed as part of Nam Cheong’s built-to-stock series in the Group’s subcontracted yards in China. These vessels are scheduled for delivery in 2015 and 2016 and are expected to contribute positively to the Group’s earnings for the financial year ending December 31, 2015 and December 31, 2016.

Notes to the Editor:

Specifications of the vessels sold are listed below:

| Vessel Type | Quantity sold | Specifications |
|--------------------|----------------------|--|
| AWV | 1 | <i>Length: 78 metres</i> <i>Capacity: 200-men</i> <i>Other features: Equipped with Dynamic Positioning System 2 (DP2)</i> <i>Class: American Bureau of Shipping (ABS)</i> |
| AHTS | 1 | <i>Size: 12,000 bhp</i> <i>Length: 78 metres</i> <i>Bollard pull: 150 tonnes</i> <i>Other features: Equipped with Dynamic Positioning System 2 (DP2)</i> <i>Class: American Bureau of Shipping (ABS)</i> |

ABOUT NAM CHEONG

Headquartered in Kuala Lumpur, Malaysia, Nam Cheong is a global leading offshore marine group specialising in the building of OSVs. Nam Cheong is the largest shipbuilder of OSVs in Malaysia and with about 7% of the regional market share and the second largest player east of the Suez Canal.

Since its humble beginnings in 1968 building only fishing vessels, the Group today owns and operates one of the largest shipbuilding yards for OSVs in Malaysia. The Group focuses on the construction and engineering of complex, sophisticated, environmentally friendly and quality OSVs that are equipped with the latest technology for use in the offshore oil and gas exploration and production (“E&P”) and oil services industries. These vessels include anchor handling towing supply (“AHTS”) vessels, platform supply vessels (“PSVs”), accommodation work boats and accommodation work barges.

Nam Cheong has attained strong reputation in Malaysia, the South-East Asian region, the Middle East, West Africa and United States for its expertise and track record in constructing OSVs for customers who consist primarily of ship owners and marine services operators. In 2013, the Group expanded its geographical reach to Latin America.

Nam Cheong is able to deliver up to 12 vessels (depending on the size and complexity of the OSVs) from its 12.6-hectare Miri shipyard located in Kuala Baram, Sarawak, Malaysia. In line with the increase in demand for Nam Cheong’s vessels in recent years, the Group has outsourced the construction of vessels to selected shipyards in China. This has given the Group access to additional production capacities and Nam Cheong has successfully delivered over 120 vessels since 2007.

Nam Cheong's shipbuilding business, which makes up over 90% of its revenue for 2008 to 2014, is complemented by its vessel chartering operations. Nam Cheong currently has a fleet of over 10 vessels, which are chartered out by way of bareboat or time charters. Nam Cheong was successfully listed on SGX-ST on May 27, 2011.

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