

VIKING OFFSHORE AND MARINE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199307300M)

PROPOSED PURCHASE AND LEASE-BACK OF A LAND DRILL RIG

The Board of Directors (the “**Directors**” or the “**Board**”) of Viking Offshore and Marine Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Viking LR2 Pte. Ltd. (the “**Purchaser**” or “**Owner**”), a subsidiary of the Company had, on 4 July 2015, entered into a sale and purchase agreement (the “**SPA**”) with a land rig builder based in China (the “**Vendor**”), for the purchase of a ZJ-50DB-ST/1500HP train type land drill rig and related drilling equipment (the “**Rig**”) for approximately US\$15.3 million.

Following completion of the SPA, the Purchaser will in its capacity as the Owner, lease back the Rig to a nominee of the Vendor (the “**Charterer**”), on a bareboat charter basis for a term of forty-eight (48) months (the “**Charter Period**”) on and from 1 September 2015 (the “**Bareboat Charter**”). The Bareboat Charter was entered into between the Company, the Purchaser and the Charterer on 4 July 2015. The value of the Bareboat Charter (which includes a put option granted by the Vendor to the Purchaser to require the Vendor to purchase the Rig at the end of the Charter Period) is approximately US\$31 million.

The Company understands that the Charterer shall sub-lease the Rig to a major South-Asian energy operator (the “**Operator**”) (but the Purchaser or the Purchaser SPV will not be a party to such sub-lease), and the Rig will be immediately deployed for work in North African region.

The terms of the SPA were arrived at on a willing-seller and willing-buyer basis, after negotiations which were conducted at arm’s length between the parties, and takes into account, *inter alia*, prevailing market conditions and the potential synergies between the Group, the Vendor and the Charterer (via the Bareboat Charter).

Save for the SPA and the Bareboat Charter, the Company and its subsidiaries do not have any interest, direct or indirect, in the Vendor, the Charterer or the Operator.

The transactions are expected to have a positive effect on the earning per share of the Company for the financial year ending 31 December 2015 (“**FY2015**”), but are not expected to have any material effect on the net tangible assets of the Company for FY2015.

BY ORDER OF THE BOARD

Ong Choo Guan
Chief Executive Officer and Executive Director

6 July 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore branch (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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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