

VARD HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201012504K)

TERMINATION OF CONTRACTS

The Board of Directors of Vard Holdings Limited (the "Company") wishes to inform that on 12 March 2015, the Company was notified that two affiliates of E.R. Offshore, our customer, have filed for insolvency at a local court in Germany.

The Company's subsidiary is currently constructing one PSV for each of these companies at its shipyard in Vung Tau, Vietnam. It has received a 10% installment for one of the vessels.

On 13 March 2015 the Group terminated the two shipbuilding contracts. The Group does not expect to repay the prepayment received, and expects to be able to sell the vessels at a price that will cover the expected construction cost less the prepayment received.

The impact of the termination and the proposed resale is expected not to have a material effect on the earnings per share of the Group for the financial year ending 31 December 2015.

BY ORDER OF THE BOARD

Roy Reite
Executive Director and Chief Executive Officer
14 March 2015