

ANNOUNCEMENT

NOTICE OF TERMINATION OF CONTRACT BY SHANGHAI SHIPYARD CO., LTD (“SHSY”) – DES CONTRACTS FOR HULL NO. S6034 AND S6035 (“DES CONTRACTS”)

The board of directors (the “**Board**”) of EMS Energy Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that Koastal Industries Pte. Ltd. has on 10 November 2016 received a notice from legal advisers acting for SHSY terminating the abovementioned DES Contracts and claiming sums of US\$41 million advanced under the DES Contracts, with interest accruing at 5% per annum accruing from the date of advance of such sums (the “**Notice**”).

As the Notice may impact the proposed schemes of arrangement filed with the High Court of Singapore on 28 September 2016, the Company has, since the receipt of the Notice, been in discussions with its advisors and has been attempting to engage directly with SHSY on its position with respect to the DES Contracts and the Notice. The Company will continue attempting to engage directly with SHSY on the DES Contracts and the Notice and 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
15 November 2016

*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.