

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

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**TAX CLAIM CANCELLED**

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Further to the announcement released on 5 August 2014 entitled "Tax Claim Received", the Board of Directors of Vard Holdings Limited (the "**Company**") wishes to announce that the authorities in Brazil have upheld the Company's appeal and cancelled the tax assessment.

In the matter relating to the transfer pricing of goods and services delivered from the Company's Norwegian subsidiaries to Vard Niterói, and the tax treatment thereof, the Brazilian authorities have ruled that the original claim was without substance. This decision cannot be appealed any further and is thus definite.

No provision had been made for the tax claim as an unfavorable assessment was deemed to be highly unlikely. Hence, the decision does not have any material impact on the financial accounts of the Company.

**BY ORDER OF THE BOARD**

**VARD HOLDINGS LIMITED**

Roy Reite  
Executive Director and Chief Executive Officer  
13 December 2017