EZION HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199904364E)

DISPOSAL OF RIGS

The Board of Directors (the "**Directors**") of Ezion Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Group had entered into a conditional sale and purchase agreement ("**SPA**") with TK and HR Services S.A. de C.V. (the "**Purchaser**"), pursuant to which the Group agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Group, the following rigs owned by the Group:

1) Atlantic Tiburon 1;
2) Atlantic Tiburon 2; and
3) Atlantic Tiburon 3,

(collectively, the "**AT Rigs**"),

on the terms and subject to the conditions of the SPA (the "**Proposed Disposal**"). The Proposed Disposal is expected to be completed by 30 November 2019, subject to the release of the mortgages over the AT Rigs which the Group is currently in the process of obtaining.

The Purchaser is a company incorporated under the laws of Mexico and its principal activities are the provision of marine support activities. The directors and shareholder(s) of the Purchaser are not related or connected to the Company, the Directors or the Group.

The sale consideration ("**Consideration**") of the Proposed Disposal includes a nominal cash consideration of US$3.00 and the novation of liabilities of approximately US$659,000 in respect of the AT Rigs to the Purchaser. The Consideration was arrived at after arm's length negotiations, on a "willing buyer and willing seller" basis taking into account, amongst other factors, the scrap value of the AT Rigs and future burn rates of the AT Rigs.

The aggregate carrying value and net tangible asset value of the AT Rigs as at 30 June 2019 is approximately US$2.91 million. The scrap value of the AT Rigs is approximately US$1.1 million which is insufficient to cover the costs required to scrap the AT Rigs and the settlement of liabilities relating to the AT Rigs which approximate US$600,000 and US$659,000 respectively. There is a deficit of approximately US$2.91 million of the proceeds over the book value of the AT Rigs and the Proposed Disposal is expected to incur a loss on disposal of US$2.25 million.

The Group is of the view that the Proposed Disposal is in line with the Group's plan to reduce burn rates of the service rigs that are currently not deployed, and this will enable the Group to improve the efficient use of its capital and cash flow.

Assuming that the Proposed Disposal had been effected on 31 December 2018, the net tangible liabilities per share of the Group as at 31 December 2018 will increase from US$6.87 cents to US$6.96 cents.

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Assuming that the Proposed Disposal had been effected on 1 January 2018, the basic earnings per share and diluted earnings per share of the Group for the year ended 31 December 2018 will increase from loss per share of US$10.91 cents to loss per share of US$11.00 cents.

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net liability value.	-0.46%[(1)]
(b)	Net losses attributable to the assets disposed of, compared with the Group's net loss.	0.42%[(2)]
(c)	Aggregate value of the consideration received, compared with the Company's market capitalization[(3)] based on the total number of issued shares excluding treasury shares.	0.41%[(4)]
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) Based on the net book value of the AT Rigs of US$2,908,000 and net liabilities value of the Company of US$630.1 million, as of 30 June 2019.

(2) Based on the net losses generated by the AT Rigs of US$1,574,492 for the financial year and net losses of the Group of US$376.8 million, as of 30 June 2019.

(3) Based on the market capitalization of the Company of S$160,269,689 (US$118,512,450).

(4) The aggregate value of the Consideration received includes US$1 each for the AT Rigs and US$659,000 of liabilities for the AT Rigs which will be novated to the Purchaser.

Based on the above, as the relative figures amount to 5% or less, the Proposed Disposal constitutes a non-discloseable transaction under Rule 1008 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and does not require the approval of shareholders of the Company.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction, save for their shareholdings in the Company.

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No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposal and accordingly, no service contracts in relation thereto will be entered into by the Company.

Although the Company's shares are currently under voluntary suspension, shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the shares and securities of the Company. Shareholders, securityholders, and investors should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares and securities of the Company.

BY ORDER OF THE BOARD

Goon Fook Wye Paul
Company Secretary
29 October 2019