PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED
(*Incorporated in Bermuda with limited liability*)
(the **"Company")**

INSOLVENCY PROCEEDINGS IN THE VIRGIN ISLANDS AND UPDATE ON RESTRUCTURING PROCESS

The Company wishes to provide an update to shareholders on insolvency proceedings commenced against a direct wholly-owned subsidiary of the Company and on the restructuring process under Chapter 11 of the United States Bankruptcy Code ("Chapter 11").

On 12 April 2017, the Eastern Caribbean Supreme Court in the Virgin Islands (the "BVI Court") granted an order appointing provisional liquidators for a direct wholly-owned subsidiary of the Company, Richtown Development Limited ("Richtown"), following an *ex parte* application made by the liquidators of Parkmond Group Limited. Mr Ian Morton (of FTI Consulting British Virgin Islands) and Mr. Nicholas James Gronow (of FTI Consulting Singapore) were appointed as joint provisional liquidators of Richtown. In the Company's view, the appointment is defective and without merit. Since the time the appointment was made, Richtown has filed with the BVI Court the appropriate Court papers to apply to set aside the appointment, and will proceed to contest the appointment when a hearing date for the application has been confirmed.

In relation to the Chapter 11 restructuring process, the Company continuously keeps under review the subsidiaries which should appropriately file with the New York Court for protection under Chapter 11. The objective is to bring as many of the Group's creditors as possible into a single forum so that there can be an efficient, effective and transparent group-wide restructuring of the entire Group's capital structure. The protection afforded by Chapter 11 prevents adverse action from third parties frustrating the integrity of the restructuring efforts.

In line with this objective, the directors of Zhonggang Fisheries Limited ("Zhonggang"), an indirect non-wholly-owned subsidiary of the Company, filed a voluntary petition for relief under Chapter 11 on 17 April 2017. The directors of Zhonggang believe that it is in the best interests of Zhonggang's shareholders to file for protection under Chapter 11 to ensure the continuation of a transparent and comprehensive restructuring process.

The Company remains committed to its efforts to deliver the best possible outcome for all creditors and stakeholders, and will continue to proceed with the Chapter 11 restructuring process under the supervision of the US Bankruptcy Court in New York.

Further announcements will be made as material developments arise.

By Order of the Board

Ng Puay Yee (Jessie)
Executive Chairman

27 April 2017