

Vallianz Holdings Limited
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NEWS RELEASE

Vallianz Restructures Net Payables and Advances of up to US\$138.7 million to Conserve Cash and Strengthen Equity Base

- Group entered into agreement to convert net payables to Swiber of US\$36.6 million into equity
- Rawabi also agreed to convert shareholder's advances of US\$102.1 million into equity
- Fulfilment of these financial obligations via the Proposed Rights cum Warrants Issue enables the Group to conserve cash and strengthen its equity base

Singapore, 24 May 2017 – Vallianz Holdings Limited ("**Vallianz**" or "**Company**", and together with its subsidiaries and associated company, the "**Group**"), an established provider of offshore support vessels and integrated marine solutions to the oil and gas industry, has entered into separate set-off and settlement agreements ("**SOSAs**") with Swiber Holdings Limited (Judicial Managers Appointed) ("**Swiber**") and Rawabi Holding Company Limited ("**Rawabi**") to restructure net payables and shareholder's advances of up to US\$138.7 million, marking the conclusion of the Company's active discussions with Swiber and Rawabi.

Swiber, which holds 903,534,986 shares or 20.9% equity interests in Vallianz, had on 13 October 2016 notified the Company of its interest to participate in the renounceable non-underwritten rights cum warrants issue proposed by Vallianz on 6 September 2016 ("**Proposed Rights cum Warrants Issue**"). Following discussions with Swiber, both parties have entered into an agreement to convert net payables to Swiber of US\$36.6 million into shares in Vallianz's capital through the Proposed Rights cum Warrants Issue, upon the fulfilment of certain conditions. Any balance net payables to Swiber following Swiber's subscription of any rights shares with warrants and any exercise of the warrants thereon will be settled via further new equity in the future.

The Group's strategic shareholder and partner Rawabi has also agreed to convert its shareholder's advances to the Company of US\$102.1 million into equity from its subscription to the Proposed Rights cum Warrants Issue. Rawabi will also undertake to subscribe for the excess rights in the Proposed Rights cum Warrants Issue, where available. Any balance shareholder's advances owing to Rawabi following the subscription of the Rights Issue and exercise of the Warrants thereon will be settled via further new equity in the foreseeable future. Rawabi presently owns 672,000,000 shares in Vallianz, representing 15.6% of total share capital. Subject to the fulfilment of certain conditions and completion of the Proposed Rights cum Warrants Issue, the proposed conversion of the shareholder's advances could result in Rawabi becoming the largest single shareholder of Vallianz.

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Said Mr Ling Yong Wah, CEO of Vallianz, "The signing of the SOSA with Swiber represents a critical step in the restructuring efforts of the Company. It provides clarity on the intention of both parties to move forward with a planned resolution on the net payables issue. Rawabi continues to demonstrate its strong support through the intention to significantly raise its shareholding in Vallianz. By fulfilling the Group's financial obligations towards Rawabi and Swiber using equity, we will be able to conserve our cash resources for working capital and strengthen the Group's equity base. Moving from here, the Group plans to resume its Proposed Rights cum Warrants Issue exercise as soon as practicable".

Said Sheikh Abdulaziz AlTurki, Group Chairman of Rawabi, "Our decision to increase our stake in Vallianz reflects our unwavering confidence in the Group's business and prospects. As a strategic shareholder and partner, Rawabi is committed to working with Vallianz to sustain and grow the Group's offshore marine services business over the long term."

The Proposed Rights cum Warrants Issue is subject to the approval of shareholders at an Extraordinary General Meeting ("**EGM**") to be convened. A supplemental notice and a supplemental circular together with a supplemental proxy form in respect of the EGM will be despatched to Shareholders as and when appropriate.

This news release should be read in conjunction with the Group's announcement posted on the SGX website on 24 May 2017.

About Vallianz Holdings Limited

Vallianz Holdings Limited is an established provider of offshore support vessels and integrated offshore marine solutions to the oil and gas industry. Headquartered in Singapore, the Group provides offshore marine services to oil majors and national oil companies worldwide. Today, Vallianz owns and operates a young fleet of 52 offshore support vessels and covers markets in the Middle East, Asia Pacific and Latin America.

To strengthen its foundation for growth, the Group is currently executing initiatives to expand its geographical reach, as well as broaden its range of marine assets and solutions. The Group also continues to seek opportunities and strategic alliances to increase its penetration in the major and emerging offshore oil and gas markets. Listed on SGX-Catalist, Vallianz is helmed by an experienced management team.

For more details, please refer to www.vallianzhholdings.com

*This news release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

This news release has not been examined or approved by 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.

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