

ANNOUNCEMENT

UPDATE ON RIGHTS ISSUE IN LIGHT OF TERMINATION OF THE PROPOSED ACQUISITION OF INTERNATIONAL OFFSHORE EQUIPMENTS PTE LTD

Unless otherwise defined, all capitalised terms herein shall have the same meaning as ascribed to them in the Announcements (as defined herein).

1. INTRODUCTION

The Board of Directors (the “**Board**”) of EMS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (a) the announcements dated 28 April 2014 and 15 May 2014 in connection with the proposed acquisition of the entire share capital of International Offshore Equipments Pte. Ltd. (the “**Acquisition**”);
- (b) the announcement dated 5 May 2014 wherein the Company has proposed to undertake the Rights Issue; and
- (c) the announcement dated 5 August 2014 wherein the Company has announced that the Company, Ng Kwang Choo and Anandha Raj Komala (collectively, the “**Vendors**”) have mutually agreed to terminate the Acquisition with immediate effect, on the terms and subject to the conditions of a deed of termination entered into between the Company and the Vendors dated 4 August 2014,

(collectively, the “**Announcements**”).

2. MAXIMUM NUMBER OF NEW SHARES TO BE ISSUED UNDER THE RIGHTS ISSUE

In light of the termination of the Acquisition, there will no longer be any allotment and issuance of new Shares to the Vendors in connection with the Acquisition. Therefore, the Consideration Shares will no longer be factored in the maximum number of Shares to be allotted and issued pursuant to the Rights Issue. **Accordingly, the Rights Issue will now entail a maximum of up to 740,354,802 new Shares that may be allotted and issued pursuant thereto.**

3. MAXIMUM AMOUNT OF NET PROCEEDS FROM THE RIGHTS ISSUE

Pursuant to the aforementioned update, the net proceeds to be raised from the Rights Issue in the event of the Maximum Scenario will amount to approximately S\$14.66 million.

Save for the updates as set out above, all other information in relation to the proposed Rights Issue remains unchanged.

By Order of the Board
EMS Energy Limited

Gwendolyn Gn Jong Yuh
Company Secretary
5 August 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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