VIKING OFFSHORE AND MARINE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199307300M)

COMMENCEMENT OF ARBITRATION PROCEEDINGS AGAINST BEIJING FORPETRO SINO-RIG CO.,LTD, U.K. TRADE FREE INT'L CO., LTD AND MR. LIU ZHI

The Board of Directors of Viking Offshore and Marine Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its subsidiaries:

- Viking LR1 Pte Ltd ("**Viking LR1**"), has today, issued a notice of arbitration to Beijing Forpetro Sino-Rig Co Ltd ("**Beijing Forpetro**") in relation to a Land Rig Bareboat Charter agreement dated 14 October 2014 (the "**Viking LR1 Bareboat Charter**"), and Mr. Liu Zhi ("**Liu Zhi**" or the "**Guarantor**"), in relation to a deed of guarantee for, *inter alia*, the due performance of Beijing Forpetro's obligations under the Viking LR1 Bareboat Charter (the "**Viking LR1 Guarantee**"); and

- Viking LR2 Pte Ltd ("**Viking LR2**"), has today, issued a notice of arbitration to U.K. Trade Free Int'l Co., Ltd ("**UK Trade**") in relation to a Land Rig Bareboat Charter agreement dated 4 July 2015 (the "**Viking LR2 Bareboat Charter**" and together with the Viking LR1 Bareboat Charter, the "**Charter Contracts**"), Beijing Forpetro, in relation to an indemnity it provided for, *inter alia*, any loss arising out of or in connection with any breach by UK Trade of the Viking LR2 Bareboat Charter, and Liu Zhi, in relation to a deed of guarantee for, *inter alia*, the due performance of UK Trade's obligations under the Viking LR2 Bareboat Charter (the "**Viking LR2 Guarantee**" and together with the Viking LR1 Guarantee, the "**Guarantees**").

In accordance with the arbitration agreements in the Charter Contracts and the Guarantees, Viking LR1 and Viking LR2 have each commenced arbitration proceedings in Singapore, against the respective parties to the Charter Contracts and the Guarantor arising out of Beijing Forpetro and UK Trade's failure to make punctual payments of the instalments of the charter hire to Viking LR1 and Viking LR2 respectively. Without prejudice to any of its rights, Viking LR1 is presently claiming from Beijing Forpetro and the Guarantor, the sum of US$7,719,929.56, being the unpaid charter hire instalments up to April 2017. Viking LR2 is claiming from UK Trade, Beijing Forpetro and the Guarantor, the sum of US$30,302,916.00, being the total charter hire outstanding and unpaid and the additional lump sum payment deemed payable to Viking LR2 under the Viking LR2 Bareboat Charter. Viking LR1 and Viking LR2 are also claiming interest and costs.

The Group is working closely with its lawyers in connection with the arbitration proceedings to, *inter alia*, enforce its claims and safeguard and protect the interest and assets of the Group. The Company will make the necessary announcements when there are material developments on the arbitration.

Shareholders are advised to exercise caution when dealing in their shares or otherwise refrain from taking any action in relation to their shares which may be prejudicial to their interests. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Please note that the Company is currently undertaking a rights cum warrants issue as announced on 18 May 2017. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Low Jooi Kok
Executive Director and Chief Executive Officer

8 June 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

The announcement 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 correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Ken Lee, Associate Director, Investment Banking. The contact particulars are 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, Telephone: +65 6337 5115