OTTO MARINE LIMITED
(UEN : 197902647M)
(Incorporated with limited liability in the Republic of Singapore on 5 September 1979)

COMPANY UPDATE – CLAIM AGAINST CUSTOMER

Otto Marine Ltd ("Company") wishes to announce that its subsidiary, Karp Marine Ltd ("Subsidiary") has commenced arbitration proceedings under the London Maritime Arbitrators Association Terms 2012 against Grupo Evya S.A. de C.V.e. ("Charterer") in connection with a bareboat charterparty contract ("Contract") for the "ORANDA-1" ("Vessel") and has proceeded to file its statement of claims. Among other things, the Charterer has failed to pay hire and interest due and owing under the Contract in the approximate quantum of US$10.5 million, with hire and interest continuing to accrue on an ongoing basis.

The Company is working closely with its lawyers in connection with the legal proceedings, to, inter alia, enforce the Subsidiary's rights under the Contract, and safeguard as well as protect the interests and assets of the Group.

The Company has taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate in all material aspects as at the date hereof and that no material facts have been omitted from this announcement. As at the date of the announcement, the above is not expected to have a material impact on the financials of the Company for the financial year ending 31 December 2016.

Submitted by

Chong Sieh Jiuan
Chief Financial Officer & Joint Company Secretary
16 August 2016