PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)

(the "**Company**")

UPDATE TO BONDHOLDERS

The Company wishes to inform holders of the Company's securities that the attached notice was issued by the Company on 4 July 2016 to the holders of the Company's S$200 million 8.50% bonds due 2017.

On behalf of the Board

Ng Puay Yee (Jessie)
Executive Chairman

4 July 2016

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

UPDATE TO BONDHOLDERS

PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)
(the "**Company**")

Relating to the
S$200 million 8.50% bonds due 2017
issued by the Company

Common Code 109021997
ISIN XS1090219970

The Company wishes to provide the attached announcement made by the Company to the Singapore Exchange Securities Trading Limited by way of update to the holders of the S$200,000,000 8.50% bonds due 2017 (the "**Bonds**", and holders of the Bonds, the "**Bondholders**").

Bondholder Contact: As previously advised, Bondholders may contact the legal representative of the Informal Steering Committee, Mr Suresh Nair and/or Mr Bryan Tan, of Advocatus Law LLP at: pard.isc@advocatus.sg.

In addition, if Bondholders are seeking information about the Company, they may also contact Geoff Walsh at: geoffrey.walsh@pacificandes.com.

In accordance with normal practice, none of the trustee or any of its officers, employees or affiliates expresses any opinion on the information set out in this notice. Bondholders who are unsure of the impact of such information should seek their own independent financial, legal and taxation advice.

Singapore

4 July, 2016

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NEW INITIATIVES IN RESTRUCTURING PROCESS

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1. **PROTECTION UNDER SECTION 210(10) OF THE SINGAPORE COMPANIES ACT**

The Company wishes to announce that it has today voluntarily made an application under section 210(10) of the Singapore Companies Act, Chapter 50, to stay all actions and legal proceedings against the Company, Pacific Andes Enterprises (BVI) Limited, Parkmond Group Limited and Pacific Andes Food (Hong Kong) Limited, and has obtained such a stay from the High Court of Singapore for a period of six weeks until 12 August 2016 or until further order of the Court.

2. **RESTRUCTURING PROCEEDINGS COMMENCED IN PERU AND THE UNITED STATES**

In addition,

a. proceedings in Peru have been commenced in respect of the following key Peruvian subsidiaries (the "**Peruvian Subsidiaries**") of the Company's subsidiary, China Fishery Group Limited ("**CFGL**") with the support of the Peruvian Subsidiaries and the intent of reaching a consensual restructuring or settlement of their financial obligations in a transparent and sustainable manner under the protection of relevant Peruvian laws and processes:

- CFG Investment S.A.C.
- Corporación Pesquera Inca S.A.C.
- Sustainable Fishing Resources S.A.C.

The Peruvian Subsidiaries have also voluntarily filed petitions with the United States Bankruptcy Court under Chapter 15 of the United States Bankruptcy Code to obtain recognition of these Peruvian restructuring proceedings.

b. CFGL, together with the following non-Peruvian subsidiaries of CFGL, have filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in order to obtain the protection of the United States Bankruptcy Court while a consensual restructuring of CFGL's key Peruvian subsidiaries is being pursued in a transparent and sustainable manner in Peru:

- Smart Group Limited
- CFG Peru Investments Pte. Ltd.
- Protein Trading Limited
- China Fisheries International Limited
- South Pacific Shipping Agency Ltd.
- Chanery Investment Inc.

- Champion Maritime Ltd.
- Growing Management Limited
- Target Shipping Limited
- Fortress Agents Limited
- Ocean Expert International Limited
- CFGL (Singapore) Private Limited.

3. **RESTRUCTURING PROCEEDINGS IN THE BRITISH VIRGIN ISLANDS**

The Company also wishes to announce that on 30 June 2016, Sahara Investment Group Private Limited, a creditor of the Company and the Company's subsidiary, Richtown Development Limited ("**Richtown**"), applied with the consent of both parties for the appointment of joint provisional liquidators over Richtown in contemplation of a restructuring of the debts of Richtown. Consistent with the restructuring initiatives that are being pursued by the Company and its subsidiaries, Richtown has consented to this application. On 30 June 2016 (local time), the High Court of Justice of the British Virgin Islands made an order appointing Stuart McKellar as the provisional liquidator of Richtown.

4. **ENGAGEMENT WITH STAKEHOLDERS**

These new restructuring initiatives are intended to optimise the scope and extent of consensual restructuring options that are available and to protect the interests of all stakeholders of the Company and its subsidiaries (including their creditors and shareholders) from hostile actions that could harm the Company, its subsidiaries and stakeholders generally by diminishing the Company's value and the value flowing to creditors and shareholders, in addition to damaging the long-term interests of the Company and its subsidiaries, their creditors generally and other stakeholders.

This new initiative is intended to:

- Support continuing efforts to realise value for creditors and stakeholders
- Create a stable and collective process for restructuring, and
- Expand rehabilitation options to preserve value for all stakeholders.

The Company will continue to engage and work closely with all stakeholders to achieve the best possible consensual restructuring for all interested parties. Through the protection and transparency of these restructuring processes, the Company and its subsidiaries intend to lay the foundation for long-term stability and success in the future. The Company will also continue to provide regular updates to all stakeholders of any material developments.

By Order of the Board

Lynn Wan Tiew Leng
Company Secretary
Singapore, 1 July 2016