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

PROPOSED VOLUNTARY DELISTING OF OTTO MARINE LIMITED
- UPDATE BY OFFEROR

The board of directors (the "**Board**" or "**Directors**") of Otto Marine Limited (the "**Company**") refers to the joint announcement dated 8 June 2016 ("**Joint Announcement**") made by the Company and Ocean International Capital Limited (the "**Offeror**") in relation to the proposed voluntary delisting ("**Proposed Delisting**") of the Company from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST"**) pursuant to Rules 1307 and 1309 of the Listing Manual of the SGX-ST (the "**Listing Manual"**) and the cash exit offer (the "**Exit Offer**") to be made by the financial adviser to the Offeror, RHB Securities Singapore Pte. Ltd. ("**RHBSEC"**), for and on behalf of the Offeror, to acquire (a) all the issued ordinary shares in the capital of the Company ("**Shares**") held by shareholders of the Company ("**Shareholders"**), other than those Shares owned, controlled or agreed to be acquired by the Offeror; and (b) all new Shares as may be issued prior to the close of the Exit Offer pursuant to the Otto Marine Share Award Scheme (collectively, "**Offer Shares**").

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meanings as ascribed to them in the Joint Announcement.

The Board refers to the paragraph 4 of the Joint Announcement, in particular, to the Noteholders' Meeting described in paragraph 4.2 of the Joint Announcement, and the Proposed Loan, the "letter of undertaking" and the "conditional loan" as described in paragraph 4.3 of the Joint Announcement.

In this regard, the Board wishes to inform Shareholders that the Company has been notified by the Offeror that:

(a) the Offeror has entered into a facility agreement dated 29 June 2016 ("**RHB Facility Agreement**") with RHB Bank Bhd, Singapore Branch ("**RHB Bank**") for a loan from RHB Bank in an aggregate principal amount of S$73.0 million ("**Proposed Loan**") for the purposes of redeeming the 2016 Notes, payment of expenses in relation to the Proposed Loan and working capital subject to the successful completion of the Delisting; and

(b) the Offeror and Datuk Seri Yaw Chee Siew ("**Yaw**"), in his capacity as the sole shareholder of the Offeror, have executed a deed of undertaking to British and Malayan Trustees Limited today (the "**Deed of Undertaking**") undertaking that, amongst others, neither the Offeror nor Yaw shall take any step to terminate the RHB Facility Agreement or cause the RHB Facility Agreement to be terminated by RHB Bank or cause the disbursement of the Proposed Loan to be disrupted in any way and each of the Offeror and Yaw shall do and execute all such things and documents to satisfy the condition precedents of the Proposed Loan (other than for the completion of the Delisting) prior to the completion of the Delisting.

Please refer to the Company's announcement dated 30 June 2016 relating to OMSPL's consent solicitation exercise, as well as the consent solicitation statement dated 30 June 2016 issued by the Issuer and the Company, for further details on the consent solicitation exercise and the Noteholders' Meeting.

In the meantime, Shareholders are advised to exercise caution in their dealings in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests, until they or their advisers have considered the information and the recommendations of the Directors who are considered independent for the purposes of the Exit Offer, as well as the advice of the independent financial adviser, Stirling Coleman Capital Limited, which will be set out in the circular to Shareholders in relation to the Proposed Delisting in due course. **Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

The Directors of the Company (including any Director who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to the Offeror and RHBSEC) are fair and accurate and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading. Where any information in this announcement has been extracted or reproduced from published or publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement. The Directors jointly and severally accept responsibility accordingly.

By Order of the Board

Michael See Kian Heng
Group Chief Executive Officer & Group Executive Director
30 June 2016