



EZRA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199901411N)

ANNOUNCEMENT IN RELATION TO EMAS CHIYODA SUBSEA LIMITED

1. EMAS CHIYODA SUBSEA LIMITED

- 1.1 The Board of Directors (the “**Board**”) of Ezra Holdings Limited (the “**Company**”, together with its subsidiaries and associated companies, the “**Group**”) wishes to announce that its associated company, EMAS CHIYODA Subsea Limited (“**ECS**”, together with its subsidiaries, the “**ECS Group**”) had on 27 February 2017 (Texas, U.S. time) filed voluntary petitions for reorganisation under Chapter 11 of the U.S. Bankruptcy Code to facilitate the ECS Group’s financial and operational restructuring (the “**ECS Chapter 11 Filing**”). The petitions were filed in the Southern District of Texas Bankruptcy Court. In addition, ECS had on 1 March 2017 announced that EMAS-AMC AS, its Norway-based wholly-owned subsidiary has been placed under members’ voluntary liquidation in Norway (the “**Norwegian Liquidation**”).
- 1.2 The Board further wishes to announce that the Company was notified by Gulen Base AS (“**GB**”) on 28 February 2017 that GB had issued a notice of termination (“**Termination Notice**”) to EMAS-AMC AS to terminate the development, construction and lease agreement for Halsvik spoolbase dated 20th December 2013 (“**Agreement**”) entered into between GB and EMAS-AMC AS. The Termination Notice further stated that GB’s intention to terminate was due to the material payment default of EMAS-AMC AS. The Company is a guarantor for the performance by EMAS-AMC AS of its obligations under the Agreement.
- 1.3 ECS is a joint venture between the Company, Chiyoda Corporation (“**Chiyoda**”) and Nippon Yusen Kabushiki Kaisha (“**NYK**”) in the Company’s subsea business whereby ECS is owned 40 per cent. by the Company, 35 per cent. by Chiyoda and 25 per cent. by NYK.
- 1.4 The board of directors of ECS decided to commence the ECS Chapter 11 Filing which it believes to be in the best interest of all ECS’ stakeholders to achieve a sustainable capital structure for ECS Group and value creation through a transparent restructuring process under the supervision of the U.S. Bankruptcy Court.
- 1.5 Please refer to the following links for ECS’ press releases in connection with the ECS Chapter 11 Filing (<https://emaschiyoda.com/emas-chiyoda-subsea-seeks-financial-restructuring-through-chapter-11/>) and the liquidation in Norway (<https://emaschiyoda.com/emas-chiyoda-subsea-places-norway-based-subsiary-emas-amc-as-in-liquidation/>).

2. CLARIFICATIONS

- 2.1 The Board wishes to refer to the article titled “*Creditor may drop winding-up action against Emas AMC*” published in The Business Times on 28 February 2017, where it was stated that “*BT understands that Emas AMC has paid off the claims made by Necotrans Singapore Pte Ltd in support of its winding-up application. The Court hearing for application was scheduled*”

to take place this Friday. But with the claims said to have been settled, Necotrans is expected to withdraw its winding-up application this Friday, in line with Singapore's Company's Act rules."

It was further stated that "Houston-based Helix Energy Solutions, in its annual report released on Feb 24, said that a foreclosure had been filed to secure the remaining principal owed on a US\$30 million promissory note received for the sale of a spoolbase in Ingleside, Texas, for US\$45 million in January 2014. Helix said that it was still owed US\$10 million principal balance due on Dec 31, 2016, from the unnamed counterparty that is understood to be Emas AMC."

The Board wishes to clarify that:

- (a) the Company understands from ECS that the claims made by Necotrans Singapore Pte Ltd ("**Necotrans**") against EMAS-AMC Pte Ltd, a wholly-owned subsidiary of ECS, has been settled and Necotrans is in the process of withdrawing its winding-up application filed against EMAS-AMC Pte Ltd from the High Court of Singapore; and
- (b) the Company understands from ECS that Emas Marine Base LLC has defaulted on its payment obligation in relation to its acquisition of a spoolbase in Ingleside, Texas, in January 2014 from Helix Ingleside LLC. The foreclosure auction for the base noticed for 7 March 2017 has been stayed following the ECS Chapter 11 Filing.

- 2.2 The Board also wishes to refer to the article titled "*Ezra's trading halts do little to serve investors*" published in The Straits Times on 2 March 2017, where it was stated that "*It has not yet said anything about an arrest warrant for one of Emas Chiyoda's vessels, Lewek Express, obtained by subsea services provider Bibby Offshore. The warrant was dated Feb 21, according to a document seen by The Straits Times.*"

The Board wishes to refer to the announcement made by the Company on 3 February 2017 and reiterates that Bibby Offshore's claims are against ECS, which the Company does not control. The Company has no dispute with Bibby Offshore. However, the Company is a guarantor for the payment of charter hires in connection with the vessel "*Lewek Express*".

3. NOTE TO CAUTION

- 3.1 As disclosed in the Company's unaudited financial results for the financial year and fourth quarter ended 31 August 2016 and the announcement by the Company on 3 February 2017, the Company and the Group will be faced with a going concern issue if the on-going initiatives by the Company to review options to preserve value for the Group and to restructure its businesses, operations and balance sheet are not favourably completed in a timely manner.

The ECS Chapter 11 Filing, together with the Norwegian Liquidation, unfortunately, does not deal with its charter hire liabilities relating to vessels chartered by the ECS Group. A substantial proportion of these liabilities have been guaranteed by the Company, which amount to approximately US\$0.4 billion. In addition, the ECS Group currently has an aggregate of approximately US\$0.5 billion of loans owing to financial institutions. These are guaranteed by the Company. The Company also has substantial contingent liabilities in relation to performance and/or bank guarantees granted by and/or procured by, the Company for projects undertaken by the ECS Group. Such amounts are not quantifiable as at the date of this Announcement. The Company understands that the ECS Group intends to continue with those projects so the potential liability in relation to these guarantees is unclear. However, the ECS Chapter 11 Filing, together with the Norwegian Liquidation, may constitute events of default under the charter parties, loan agreements and projects of the ECS Group and the moratorium afforded under the ECS Chapter 11 Filing does not stay claims against the

Company in relation to these guarantees. In the event claims are made against the Company in relation to any or all of these guarantees, the Company will face an immediate going concern issue.

- 3.2 The Company is currently seeking advice on the ECS Chapter 11 Filing and the Norwegian Liquidation, as well as assessing the impact of such filings on the Group. The Board also wishes to refer to the announcement released by its subsidiary, EMAS Offshore Limited (“**EOL**”, together with its subsidiaries and associated companies, the “**EOL Group**”), today on SGXNET in relation to the on-going initiatives by the EOL Group to refinance its financial obligations and procure additional working capital facilities. Further announcements will be made by the Company and the Board via SGXNET as and when there are any material developments in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.
- 3.3 Further, the Board wishes to refer to the announcements made by the Company on 3 February 2017 and 7 February 2017 in relation to the statutory demands received from one of the Company’s lenders and in relation to the claim by Forland Subsea AS on the parent corporate guarantee provided by the Company in respect of the outstanding charter hire payments owing by EMAS-AMC AS. The Board wishes to state that the deadline for payment of these demands has expired and these creditors are at liberty to apply for the Company to be wound up by the High Court of Singapore upon the ground provided for under Section 254(1)(e) read with Section 254(2)(a) of the Companies Act, Chapter 50, namely, that the Company is unable to pay its debts. Notwithstanding the foregoing, the Company is continuing its efforts to engage these creditors in relation to these claims.
- 3.4 The Board wishes to state that the Group will continue its on-going initiatives to review all options to restructure its businesses, operations and its balance sheet (“**Group Restructuring**”). The Group will continue to engage and work closely with its key stakeholders to review all other options to achieve the best possible restructuring options for all stakeholders. In addition, the Group is considering all legal options it may have available to it to protect itself and the interests of its stakeholders in the face of the claims against it.
- 3.5 Save as previously disclosed by the Company and EOL, no other definitive agreements in relation to the Group Restructuring have been entered into by the Group as at the date of this announcement. There can be no assurance or reasonable certainty that the ECS Chapter 11 Filing will be successfully concluded or any discussions or other restructuring options will materialise or any negative impact will materialise as a result of the ECS Chapter 11 Filing. In the event the ECS Chapter 11 Filing and the Group’s discussions with various stakeholders and efforts to review all other options for the Group Restructuring do not achieve a favourable and timely outcome, the Group will have to review its ability to continue as a going concern.
- 3.6 Given the above matters and in particular pending the completion of the Company’s assessment, shareholders and potential investors should exercise caution when trading in the Company’s shares. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, tax or other advisers.

By Order of the Board

Shannon Ong
Company Secretary
2 March 2017