

VARD HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201012504K)

INFORMATION ON HARKAND, A COUNTERPARTY

The Board of Directors of Vard Holdings Limited (the "Company") wishes to inform that on 6 May 2016, the Company has been notified that Harkand Group ("Harkand") has entered into administration.

Harkand has one Diving Support and Construction Vessels under construction at VARD, originally contracted in December 2013 for delivery from Vard Søviknes in 2Q 2016. The vessel is in an advanced stage of construction.

The Company is currently evaluating its position towards Harkand. If the shipbuilding contract is unlawfully terminated by the customer, VARD will contractually be entitled to retain the advance payments already received, equivalent to 20% of the original contract price, and to resell the vessel. The payments already received could facilitate a resale of the vessel.

BY ORDER OF THE BOARD

Roy Reite
Executive Director and Chief Executive Officer
9 May 2016