



EMAS Offshore Limited

(Incorporated in Singapore)

(UEN/Company Registration Number: 200702224N)

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## UPDATE ON PROPOSED INVESTMENT INTO EMAS OFFSHORE LIMITED AND RESTRUCTURING

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### 1. Introduction

- 1.1 The Board of Directors (the “**Board**”) of EMAS Offshore Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements made on 31 August 2017, 4 September 2017 and 26 September 2017 (“**Previous Announcements**”). Unless otherwise defined, terms used in the Previous Announcements shall have the same meanings when used herein.

### 2. Update on Investment by the Potential Investors

- 2.1 It was announced in the Previous Announcement that, *inter alia*, the Term Sheet may be terminated, and the Restructuring Exercise contemplated may be abandoned, at any time prior to closing by any of the Potential Investors or the Company, if the Restructuring Exercise was not under way by or the Scheme application was not filed by 30 October 2017.
- 2.2 The Board wishes to inform shareholders of the Company that on 9 December 2017 it exercised its right under the Term Sheet to terminate the Term Sheet. Accordingly, the Term Sheet was terminated with effect on 9 December 2017. On the same day, the Company entered into a new binding term sheet with BTI (“**BTI Term Sheet**”) in relation to the proposed cash investment by BTI into the Company as part of the Restructuring Exercise of the Group (“**Investment**”).
- 2.3 The BTI Term Sheet will allow the Group to continue with its Restructuring Exercise to substantially deleverage the Group’s balance sheet by way of, *inter alia*, schemes of arrangement to be proposed by the Company and certain of its subsidiaries under Section 210 or Section 211 of the Companies Act (Cap.50) of Singapore (“**Schemes**”) and to strengthen its working capital position by way of the subscription of new shares by BTI and co-investors, if any, to be issued out of the share capital of the Company (“**New Shares**”). The completion of the Restructuring Exercise and the Investment will enable the Group to continue as a going concern.

### 3. Salient Terms of the BTI Term Sheet

3.1 The salient terms of the BTI Term Sheet are set out in the table below:

<b>Investment Amount</b>	The aggregate investment amount is US\$50 million for the whole and complete Restructuring Exercise (" <b>Investment Amount</b> ").
<b>Investment</b>	<p>The subscription of new ordinary shares to be issued out of the Company's capital ("<b>New Shares</b>") which shall rank <i>pari passu</i> with the ordinary shares of the Company in issue and shall be listed and quoted on the Oslo Børs and the Singapore Exchange Securities Trading Limited ("<b>SGX-ST</b>").</p> <p>The Investment may be structured at BTI's option as:</p> <p>(i) a stand-alone investment;</p> <p>(ii) as a cornerstone investment for a traditional capital market equity raise and/or an investment alongside a co-investor (collectively the "<b>Investors</b>") or</p> <p>(iii) in lieu of the foregoing options, any other viable structure, subject to a minimum investment by BTI of US\$25 million.</p> <p>For the avoidance of doubt, if there is no other co-investor and/or subscriber, BTI will invest the entire Investment Amount.</p>
<b>Share Issuance</b>	<p>The Investment Amount will result in the Investors receiving at least (and in aggregate, if more than one Investor) a majority of the enlarged issued share capital of the reorganized Company (after the issuance of the New Shares but prior to dilution by the issuance of New Shares underlying the Restructuring Exercise, the planned management incentives and subsequent repair issue of the Company's shares pursuant to the listing requirements of the Oslo Børs).</p> <p>To ensure business continuity and operations of the EOL Group will not be impacted, pending as well as after, the completion of the Investment and Restructuring Exercise, it is the intention of the Investors and the Company that key management and support staff of the Group is retained via the planned management incentives.</p>
<b>Conditions precedent</b>	<p>The consummation of the transactions contemplated under the Term Sheet is subject to, inter alia, the following main conditions precedent:</p> <p>a) satisfactory completion of due diligence by the Investors;</p>

	<ul style="list-style-type: none"> <li>b) satisfactory agreement to final documentation and definitive agreement;</li> <li>c) no material deterioration of the business and financial position and/or prospects of the Group;</li> <li>d) receipt of necessary corporate approvals from the Investors, including but not limited to approval from the Investors' shareholders;</li> <li>e) requisite approvals for the Restructuring Exercise, including the approval of the Company's shareholders having been duly obtained and such approvals not having been revoked and the Schemes having been sanctioned by the High Court of Singapore;</li> <li>f) receipt of all necessary governmental and regulatory approvals, consents and permits;</li> <li>g) receipt of approval of the Company's shareholders and/or regulatory approval, if necessary, to waive any subsequent repair issue of the Company's shares that exceeds 3% of the enlarged issued share capital of the reorganized Company (after the issuance of the New Shares but prior to dilution by the issuance of New Shares underlying the Restructuring Exercise and the planned management incentives); and</li> <li>h) any further conditions as deemed necessary by the Company and/or the Investors.</li> </ul>
<b>Termination</b>	<p>The Term Sheet may be terminated, and the Restructuring Exercise contemplated may be abandoned, at any time prior to closing of the Investment:</p> <ul style="list-style-type: none"> <li>a) by mutual consent of the Investors and the Company;</li> <li>b) by BTI in writing in the event the Company seeks to vary the terms agreed in the BTI Term Sheet;</li> <li>c) by the Investors in writing, if the application to convene the creditors' meeting in respect of the Schemes ("<b>Scheme Applications</b>") are not filed by 15 December 2017;</li> <li>d) by the Investors in writing, if there has been a failure to fulfil any of the material commercial terms of the BTI Term Sheet, which has prevented or would prevent the satisfaction of any condition to the closing of the Investment;</li> </ul>

	<p>e) by the Investors in writing, if the Scheme Applications are not heard within 3 months from the date of filing of the Scheme Applications; and</p> <p>f) by the Investors in writing, if the New Shares are not allotted and issued to the Investors and/or their nominee(s) within 6 months from the date of filing of the Scheme Applications.</p>
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#### **4. Update on the Restructuring**

- 4.1 The Company wishes to announce that each of the Singapore Filing Entities, namely the Company, together with its wholly owned subsidiaries, Emas Offshore Pte Ltd and Emas Offshore Services Pte Ltd, made a Scheme Application to the High Court of the Republic of Singapore ("**Court**") under Section 210(1) of the Companies Act (Cap.50) of Singapore.
- 4.2 The Scheme Applications seek, amongst others, the Court's leave for each of the Singapore Filing Entities to convene their respective creditors' meeting within four (4) months (or such period as the Court may order) from the date of the order, for the purposes of considering and, if thought fit, approving with or without modification (which modification can be made any time prior to and/or at the creditors' meeting) the respective Scheme proposed to be made between the Singapore Filing Entities and their creditors pursuant to Section 210(1) of the Companies Act (Cap.50) of Singapore.
- 4.3 The Scheme Applications will be heard on a date to be fixed by the Court at a pre-trial conference scheduled on 21 December 2017.

#### **5. General**

The Company will provide further updates pertaining to the Investment and/or the Restructuring Exercise when there are material developments. Shareholders should note as there is no certainty or assurance as at the date of this announcement that any definitive agreements will be entered into in connection with the Investment and/or the Restructuring Exercise. When in doubt as to the action they should take, shareholders should consult their financial, tax or other advisers.

This announcement is subject to disclosure in accordance with section 5-12 of the Norwegian Securities Trading Act.

By Order of the Board

Lee Kian Soo  
Director  
11 December 2017