NauticAWT Limited

(Company Registration Number: 201108075C)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF MARINE ENGINEERING SERVICES PTE. LTD.

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of NauticAWT Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 2 October 2015, executed a sale and purchase agreement ("**SPA**") with IMC Offshore Engineering Ltd (the "**Vendor**") to acquire the entire issued and paid-up capital of Marine Engineering Services Pte. Ltd. ("**MESPL**") (the "**Proposed Acquisition**"). The Company, the Vendor and MESPL shall be referred to collectively as the "**Parties**".

2. INFORMATION ON MESPL[1] AND THE VENDOR

2.1 MESPL is a private limited company incorporated in Singapore and principally engaged in the business of providing facilities and project engineering services for the marine and offshore oil and gas industries. As disclosed in the offer document of the Company dated 14 July 2015 in connection with its initial public offering ("**IPO**"), MESPL has been collaborating with the Company to provide topside and facilities engineering services on a jacket requalification project located in the Khafji Joint Operations area of Saudi Arabia and Kuwait.

2.2 The Vendor is not related to any of the Directors, the controlling shareholders of the Company or their respective associates.

2.3 As at the date of this announcement, MESPL has an issued and paid-up capital of S$20,110 comprising 200 ordinary shares.

2.4 Based on the audited financial statements of MESPL for the financial year ended 31 December 2014 ("**FY2014**"), the net tangible liability value was approximately S$7.2 million as at 31 December 2014 and the net loss was approximately S$2.8 million for FY2014. Assuming that the waiver of indebtedness (details of which are set out in section 3.3 of this announcement) had taken effect on 31 December 2014, the net tangible asset value of MESPL would have been approximately S$1.4 million as at 31 December 2014 and the net profit would have been approximately S$5.8 million for FY2014.

1 The information on MESPL and the financial information set out in this paragraph 2 were provided by MESPL, which have been extracted and reproduced herein. In respect of such information, the Directors have not independently verified the accuracy and correctness of the same and the Directors' responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

3. SALIENT TERMS OF THE PROPOSED ACQUISITION

3.1 Purchase Consideration

The aggregate consideration for the Proposed Acquisition is approximately S$850,000 (the "**Purchase Consideration**") which shall be satisfied in full in the following manner:

(a) on Completion Date (as defined below), a cash payment of S$50,000;

(b) on 1 December 2015, a cash payment of S$450,000; and

(c) issuance and allotment of such number of new shares in the capital of the Company ("**Consideration Shares**") having an aggregate value of approximately S$350,000 no later than 3 December 2015 based on an issue price ("**Issue Price**") representing a 10% discount to the 30-day volume weighted average price ("**VWAP**") of the Company's shares ("**Shares**") for trades done on Catalist immediately prior to but excluding 1 December 2015.

The cash component of the Purchase Consideration will be funded by the Company's internal resources (in particular, the net proceeds from the IPO) and bank borrowing.

For the avoidance of doubt, the Consideration Shares shall rank in all respects *pari passu* with the Shares existing at the date of the issue of the Consideration Shares, save that they shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls on or prior to the date of issue of the Consideration Shares. The Consideration Shares are to be issued pursuant to an existing share issue mandate obtained pursuant to a resolution of the then shareholders of the Company passed on 3 July 2015.

The Company will be making an application to the Sponsor (as defined herein) and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Consideration Shares on Catalist. The Company will make the relevant announcement upon receipt of the listing and quotation notice from the SGX-ST.

The Purchase Consideration was arrived at, on a willing-buyer and willing-seller basis, after negotiations which were conducted at arms' length between the Parties, and takes into account, *inter alia*, the following:

(a) the unaudited net asset value of MESPL of approximately S$649,000 as at 30 June 2015, adjusted for the waiver of indebtedness (details of which are set out in section 3.3 of this announcement) amounting to approximately S$10.0 million as at 30 June 2015 (assuming the waiver of indebtedness had taken effect on 30 June 2015); and

(b) the current order book of MESPL.

3.2 Moratorium

The Vendor has undertaken and agreed that it shall not, and it shall procure that its nominee shall not, sell, transfer, realise, encumber or otherwise dispose of any part of the Consideration Shares from the date of issuance and allotment of the Consideration Shares up to and including 31 December 2016.

3.3 Waiver of Indebtedness

In accordance with the terms of the SPA, the Vendor shall waive all debts payable and/or amounts owing by MESPL (including but not limited inter-company loans, trade payables and interest payable) as at 30 September 2015 to the Vendor and its group companies.

3.4 Completion Date

Completion of the Proposed Acquisition shall take place no later than five (5) business days after the fulfilment or waiver of the last of the conditions precedent to the SPA (the "**Completion Date**"), in any event no later than 12 October 2015, subject to such extension of time as may be agreed in writing between the Parties.

3.5 Conditions Precedent

The Proposed Acquisition is conditional upon, *amongst others*, the following:

(a) if required, the requisite approval of shareholders of the Company for the Proposed Acquisition;

(b) the completion of a legal and financial due diligence exercise by the Company on MESPL, the results of such exercise being satisfactory to the Company, in its sole and absolute discretion but acting reasonably and in good faith;

(c) receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Consideration Shares on Catalist; and

(d) there not having been at any time prior to or on Completion Date the occurrence of any of the following events:

(i) liquidation, bankruptcy or insolvency of any entity within MESPL;

(ii) termination of substantially all or part of the business of MESPL by resolution of the general meeting of its shareholder;

(iii) appointment of any assignee, receiver or liquidator for substantially all or part of the assets or business of MESPL; or

(iv) attachment, sequestration, execution or seizure of substantially all or part of the assets of MESPL.

3.6 Termination of the SPA

(a) The SPA will be terminated if completion of the SPA does not take place on or before 12 October 2015, or such later date as the Parties may mutually agree in writing ("**Long-Stop Date**").

(b) The SPA may be terminated by the Vendor or the Company by written notice to the other party prior to completion and prior to the Long-Stop Date as follows:

(i) at the election of either the Vendor or the Company as the case may be, if the other party has breached any representation, warranty, undertaking or any term whatsoever under the SPA, which breach cannot be or is not cured by the Long-Stop Date; or

(ii) if any of the conditions precedent are not satisfied or are not waived (as the case may be) by the relevant party whose obligations are subject to such conditions precedent on or before the Long-Stop Date.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects are presented for illustrative purposes only and are not intended to reflect the actual future financial position of the Company following the completion of the Proposed Acquisition.

Such pro forma financial effects have been computed based on the audited consolidated financial statements of the Group for FY2014 and the audited financial statements of MESPL for FY2014 based on the following assumptions:

(a) the financial effects of the Proposed Acquisition on the net tangible assets ("**NTA**") per Share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2014 (and for the avoidance of doubt, the waiver of indebtedness had taken effect on 31 December 2014);

(b) the financial effects of the Proposed Acquisition on the earnings per Share ("**EPS**") of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2014 (and for the avoidance of doubt, the waiver of indebtedness had taken effect on 1 January 2014);

(c) the Company was listed on Catalist since 1 January 2014 with an issued share capital of 189,200,000 Shares;

(d) an exchange rate for FY2014 of US$1:S$1.2703;

(e) a closing exchange rate as at 31 December 2014 of US$1:S$1.3255;

(f) the issuance and allotment of 1,767,677 Consideration Shares at the Issue Price of S$0.1980 per Consideration Share; and

(g) transactional costs incurred for the Proposed Acquisition are assumed to be insignificant and as such, have not been taken in account in the computation of the financial effects.

4.1 NTA per Share

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA (S$'000)	15,341	16,281
Number of Shares	189,200,000	190,967,677
NTA per Share (S$ cents)	8.11	8.53

4.2 EPS

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Profit attributable to owners of the Company (S$'000)	5,495	8,716
Weighted average number of Shares	189,200,000	190,967,677
EPS (S$ cents)	2.90	4.56

4.3 Gearing

There is no material impact on the gearing ratio of the Group arising from the Proposed Acquisition.

5. RELATIVE FIGURES UNDER RULE 1006

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**") are as follows:

Rule 1006	Bases	%
(a)	Net asset value of assets to be disposed of, as compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	Net profits attributable to the assets acquired, compared with the Group's net profits	Not meaningful(1)
(c)	Aggregate value of the consideration to be paid, compared with the Company's market capitalisation	2.0(2)
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Please refer to note 3 below
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

(1) Based on the unaudited consolidated financial statements of the Group for the half year ended 30 June 2015 ("**HY2015**"), the Group recorded a net loss before tax of approximately US$2.5 million (equivalent to approximately S$3.4 million). Based on the unaudited management accounts of MESPL for HY2015, MESPL recorded a net loss before tax of approximately S$2.2 million. For the avoidance of doubt, the waiver of indebtedness had not been accounted for in the net loss before tax of MESPL for HY2015. For illustration purposes, the relative figure computed based on Rule 1006(b) of the Catalist Rules would have been 64.6% if the absolute figures had been used in the computation.

(2) Based on the Purchase Consideration of S$850,000 and the Company's market capitalisation of S$41.6 million (based on the Company's existing issued share capital of 189,200,000 Shares and the VWAP of the Shares on Catalist of S$0.2200 on 1 October 2015, being the market day preceding the date of the SPA).

(3) The number of Consideration Shares cannot be determined as at the date of this announcement as the Consideration Shares to be issued is based on an issue price representing a 10% discount to the 30-day VWAP of the Shares for trades done on Catalist immediately prior to but excluding 1 December 2015. For illustration purposes, assuming that the Issue Price is S$0.1980 (computed based on a 10% discount to the VWAP of S$0.2200 per Share based on trades done on Catalist on 1 October 2015, being the market day preceding the date of the SPA), 1,767,677 Consideration Shares would have been issued. Accordingly, the relative figure computed based on Rule 1006(d) of the Catalist Rules would have been 0.9%.

As the relative figures computed based on Rules 1006(c) and (d) of the Catalist Rules exceeds 5% but are less than 75%, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

6. RATIONALE FOR THE PROPOSED ACQUISITION

The Board believes that the Proposed Acquisition will:

(a) allow the Group to expand its core business within the Subsea and Surface Facilities business segment as MESPL's business is synergistic and complementary to the existing service offerings of the Group;

(b) potentially improve the future financial performance of the Group's Subsea and Surface Facilities business segment;

(c) provide costs synergy to the Group as both MESPL and the Group can share and tap on each other's resources; and

(d) enable the Group to leverage on MESPL's 17-year track record, expertise and experience of project work to pursue growth opportunities in new and existing markets.

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Acquisition (other than through their respective shareholdings in the Company, if any).

8. SERVICE AGREEMENT

No person will be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Acquisition.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. CAUTIONARY STATEMENT

Shareholders of the Company are advised to exercise caution when trading in the Shares in relation to this announcement as there is no certainty or assurance that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. When in doubt as to the action that they should take, shareholders of the Company should consult their financial, tax or bank or other advisers.

11. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 300 Beach Road #13-02 The Concourse Singapore 199555 for three (3) months after the date of this announcement.

12. ANNOUNCEMENTS

Further announcements on the Proposed Acquisition will be made in due course as and when appropriate.

By Order of the Board

John Grønbech
Executive Director and CEO
3 October 2015

Overview of NauticAWT Limited

NauticAWT Limited is a Singapore headquartered firm offering subsurface, subsea and surface facilities engineering services and contracting solutions to the oil and gas industry. The Group is engaged in field exploration, field development and field refurbishments including design life extensions and production enhancement for ageing and mature assets for its clients.

With a global reach of 11 offices across Southeast Asia, Australasia, Middle East, Latin America and India, NauticAWT Limited provides a comprehensive range of technical and commercial solutions to the oil and gas industry. Through its multi-disciplined offerings, the Group is able to deliver customised technical greenfield development services and brownfield enhancement and extension solutions, either stand-alone solutions or as an integrated package. The Group also produces a unique range of UHPC and HPC materials for subsurface, subsea and surface applications, which is marketed under its NAX™ trademark.

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.