VIKING OFFSHORE AND MARINE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199307300M)

GENERAL ANNOUNCEMENT
UPDATE TO LEGAL PROCEEDINGS INVOLVING SUBSIDIARY OF VIKING OFFSHORE & MARINE LIMITED AND KEPPEL SINGMARINE PTE LTD

Further to Viking Offshore & Marine Limited's (the "**Company**") announcement on 27 March 2018 of the commencement of proceedings ("**proceedings**") by the Company's wholly owned subsidiary, Viking HVAC Pte Ltd ("**Viking HVAC**") against Keppel Singmarine Pte Ltd ("**KSM**"), the Company wishes to provide an update to shareholders.

On 19 April 2018, KSM filed its Defence and Counterclaim ("**D&CC**"). In it, KSM denied all of the Company's claims and counterclaimed, among others, for alleged backcharges amounting to S$3,831,999.21. The majority of these backcharges were in the Company's opinion, unsubstantiated, excessive and/or grossly inflated, and had been previously rejected by the Company with detailed reasons. The Company reiterated its rejection of these backcharges in its reply to the D&CC on 28 April 2018 ("**Reply**").

A pre-trial conference ("**PTC**") was convened by the High Court ("**Court**") on 23 May 2018. At the PTC, KSM sought an adjournment of 3 weeks on the basis that it had just appointed co-counsel to represent it in the proceedings. The Court declined KSM's request and gave timelines, among others, for parties to provide disclosure of relevant documents and fixed a further PTC on 6 July 2018.

After the Company had filed its Reply, at KSM's request, an urgent PTC was again convened on 13 June 2018. During this PTC, KSM informed the Court that it had just appointed an expert to review all of Viking HVAC's claims and KSM's counterclaims and on account thereof, it was requesting for 4 weeks to tender a revised draft of its Defence and Counterclaim ("**D&CC**"). Meanwhile, KSM requested that further timelines, including those for disclosure of documents be put in abeyance.

The Company would have expected KSM to have conducted an exhaustive and considered review of Viking HVAC's claims when they were submitted nearly 3 years ago and therefore viewed this request as an attempt to delay and objected to KSM's request accordingly. Further, in the meanwhile, the Company had already provided its full response to the D&CC by way of the Company's Reply.

After hearing parties at the 13 June 2018 PTC, the Court directed, among others, for KSM to furnish its revised draft D&CC within 3 weeks of the PTC and convened a further PTC on 18 July 2018.

The Company notes from an address by the Chief Executive Officer of Keppel Corporation Ltd accompanying the announcement of its full year results for the year ended 31 December 2017 released on 25 January 2018, *inter alia*, that Keppel Corporation's "core value of integrity prohibits Keppel from engaging in any unethical practices or behaviour" and "will not tolerate any behaviour or actions from Keppelites that deviates from this fundamental principle". The Company accordingly expected KSM to deal with the Company in a manner consistent with

its group ethos. The Company trusted that KSM would have properly assessed the Company's claims and only advanced counterclaims that KSM could properly and fairly substantiate. However, as mentioned at paragraph 2 above, the Company is of the view that the majority of KSM's backcharges were unsubstantiated, excessive and/or grossly inflated.

The Company regrets to learn that since it commenced legal proceedings against KSM, a Keppel Offshore Marine Ltd ("**KOM**") unit has given written notice on or around 28 May 2018 to suspend business with the Company's other business entity - Marshal Systems Pte Ltd ("**Marshal**"). Marshal has no relation to the issues in dispute in the present proceedings and should not have to suffer collateral damage from commercial pressure directed at the Company.

The Company wishes to assure shareholders that Viking HVAC is taking all necessary steps to expedite these proceedings and obtain early recovery of the sums due to it from KSM. In this regard, the Company has given strict instructions to Viking HVAC to vigorously resist any attempts by KSM to delay the progress of this matter.

The Company will continue to keep shareholders apprised of developments in the proceedings and make further announcement as and when appropriate.

BY ORDER OF THE BOARD
Viking Offshore & Marine Limited

Low Jooi Kok
Executive Director and Chief Executive Officer

26 June 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.

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