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 26 June 2018 providing an update on the legal proceedings involving the Company's wholly owned subsidiary, Viking HVAC Pte Ltd ("**Viking HVAC**") against Keppel Singmarine Pte Ltd ("**Keppel**"), the Company wishes to provide a further update to shareholders.

On 17 July 2018, Keppel filed its amended Defence and Counterclaim. In it, Keppel:

(a) withdrew 8 items in its Counterclaim, the total value of which was $161,125.00; and
(b) claimed that it had a mistaken impression that the sub-contract price excluded GST and had thereby paid Viking HVAC $503,975.80 by mistake.

The said 8 items of Counterclaim were raised by Keppel for the first time when it filed its Defence and Counterclaim on 19 April 2018. When Viking HVAC sought supporting documents, Keppel replied that it did not have those documents. The Board is disappointed that an established organisation like Keppel could make a substantial counterclaim against an SME like Viking HVAC without proper support of documents.

As for Keppel's claim for refund of GST payments, Keppel raised this for the first time when it filed its amended Defence and Counterclaim. Keppel paid GST to Viking HVAC over an extended period of time of over 3 years, and over 87 invoices issued by Viking HVAC. These invoices were issued in strict accordance with the work orders issued by Keppel. Given these circumstances, the Board finds it hard to accept that Keppel could make a "mistake" on a fundamental issue like this.

Notwithstanding the amendments made to Keppel's Defence and Counterclaim, Keppel has still not made good its counterclaim for the alleged supply of labour to Viking HVAC, amounting to $1,600,418.40. This amount was already inflated from Keppel's previous claim amount of $1,270,000. Viking HVAC had by letter dated 24 November 2017 refuted the claim with detailed reasons. There was and remains no response from Keppel to this letter. The Board views this non-response by Keppel as a commercial discourtesy.

Prior to legal proceedings, Viking HVAC has on numerous occasions raised issues with Keppel over its lack of documentation in support of its counterclaims. However, there was no meaningful response from Keppel. At a meeting on 4 January 2018, attended by the senior management of both Viking HVAC and Keppel, Viking HVAC proposed a forensic inspection of the documents in the presence of the respective auditors of Viking HVAC and Keppel, namely Ernst & Young and PricewaterhouseCoopers, relating to Keppel's backcharges. Keppel initially agreed, but later reneged without an explanation. The Board is disappointed by Keppel's sudden about-turn, and for not keeping to its word.

Given the manner in which Keppel has proceeded with its Counterclaims, it remains to be seen whether Keppel is able to provide adequate substantiation and legal justification for their Counterclaim.

Viking HVAC has on 7 August 2018 filed its amended Reply and Defence to Counterclaim where it continues to vigorously refute Keppel's counterclaims.

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

BY ORDER OF THE BOARD
Viking Offshore & Marine Limited

Low Jooi Kok
Executive Director and Chief Executive Officer

8 August 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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