CH OFFSHORE LTD.
(Company Registration No: 197600666D)
(Incorporated in the Republic of Singapore)
("**CHO**" or the "**Company**")

INTERESTED PERSONS TRANSACTIONS BETWEEN CHO GROUP AND FEG GROUP

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1. INTRODUCTION

The Board of Directors of CHO wishes to announce that CHO and its subsidiaries (together, the "**CHO Group**") have entered into transactions with Falcon Energy Group Limited. ("**FEG**") and FEG's subsidiaries (together, the "**FEG Group**") being interested persons transactions ("**IPTs**") as defined in Chapter 9 of the Listing Manual (the "**Mainboard Rules**") by Singapore Exchange Securities Trading Limited ("**SGX-ST**")) at an aggregate value of US$5,099,000 during CHO's current financial year, which have exceeded 3% of the Group's latest audited net tangible assets as at US$161,345,000 (the "**FY2016 NTA**").

2. DETAILS OF THE INTERESTED PERSONS TRANSACTIONS

2.1. Information on CHO

CHO is a company incorporated in Singapore and listed on the Mainboard of the SGX-ST. As at 9 May 17 and the date hereof, CHO has an issued and paid-up share capital of S$95,251,166.00 (equivalent to US$55,378,585) comprising 705,090,514 ordinary shares (including treasury shares). CHO is an offshore support service provider in the oil and gas industry. Based on the latest annual report of CHO for the financial year ended 30 June 2016 ("**FY2016**"), CHO and its subsidiaries operate a fleet of 15 anchor handling tug supply vessels and 1 offshore supply vessel, of which ten (10) vessels are wholly-owned, four (4) vessels are co-owned with PT Bahtera Nusantara Indonesia in Indonesia and the remaining two (2) vessels are co-owned with Scomi Marine Berhad in Malaysia. The CHO Group has a track record of over 30 years in providing marine support services to the oil and gas industry worldwide and has customers in Southeast Asia, the Middle East, the Americas, Africa and Russia. CHO is a subsidiary company of Energian Pte. Ltd. which is in turn a wholly-owned subsidiary of FEG.

FEG is a company incorporated in Singapore and listed on the Mainboard of the SGX-ST. FEG is an established player in the oil and gas industry, providing a spectrum of services to global oil companies and contractors, from the initial exploration stage to production and post-production stage. FEG's marine division operates a fleet of offshore support vessels and accommodation work barges, mainly for the production phase of oil and gas projects. FEG's oilfield and drilling services division complements the marine division by providing agencies, logistics, procurement, general support and drilling services to a wide customer base. FEG's oilfield project division executes various projects for oil companies. FEG's resources division taps into the energy resource sector to carry out coal mining and other resources-related businesses.

2.2. Interested Person Transactions

The CHO Group has entered into transactions relating to the provision of certain intercompany loans, management services, sub-leasing and chartering in the ordinary course of business in the CHO Group with FEG and its subsidiary, Passiflora Capital Ltd.

FEG owns 100% of Energian Pte. Ltd., which in turn is the controlling shareholder of CHO, through its 64.91% shareholding interest in CHO.

Accordingly, the FEG Group is deemed to be the same interested person within the meaning defined in Chapter 9 of the Mainboard Rules.

The transactions listed in the table below are therefore regarded as IPTs under Chapter 9 of the Mainboard Rules.

2.3. Aggregate Value of IPTs

The table below sets out the details and the aggregate values of the **Relevant Transactions**, which are all the IPTs carried out by CHO during the current financial year (which began on 1 July 2016 and ends on 30 June 2017 ("**FY2017**")), excluding transactions less than S$100,000, that require disclosure to CHO's shareholders under of Chapter 9 of the Mainboard Rules.

The aggregate values of the Relevant Transactions set out in the table below are the aggregate values of each Relevant Transaction for the whole of FY2017.

Name of Interested Person	**Details of the Relevant Transactions**	**Aggregate Value of the Relevant Transactions (US$'000)**
FEG	Sub-lease Agreement commencing on 1 Jul 2016	205
FEG*	Loan of S$1M granted to FEG on 6 October 2016 (inclusive of interest charge of 4.3% p.a)	733
FEG*	Loan of US$3M granted to FEG on 10 October 2016 (inclusive of interest charge of 4.3% p.a.)	3,071
FEG*	Loan of S$0.5M granted to FEG on 17 Mar 2017. (inclusive of interest charge of 4.3% p.a.)	360
Passiflora Capital Ltd.	Bareboat charter of a vessel, FEG Merlin, to Passiflora Capital Ltd. commencing on 1 October 2016	730
	Total	**5,099**

* *As per Rule 909 (3) of SGX Listing Manual, the value of the intercompany loan transaction is the interest payable on the loan and the value of the loan in the case of lending of funds to an interested person. All the loans granted to FEG are repayable on demand, hence the interest payable on the respective loan is computed up to the latest completed month prior to this announcement.*

2.4. Based on the CHO Group's latest audited consolidated financial statements for FY2016, FY2016 NTA was US$161,345,000. Accordingly, the total value of the Relevant Transactions set out above amounted to 3.2% of the CHO Group's FY2016 NTA.

Save as disclosed in the aforementioned paragraph, there are no other IPTs (excluding IPTs less than S$100,000) entered into by the CHO Group during FY2017 that require disclosure to CHO's shareholders under Chapter 9 of the Mainboard Rules. The total value of all IPTs (excluding IPTs less than S$100,000) entered into by the CHO Group during FY2017 that require disclosure to CHO's shareholders under Chapter 9 of the Mainboard Rules is approximately US$5,099,000.

The Relevant Transactions were carried out on an arm's length basis and on normal commercial terms.

3. RATIONALE FOR THE RELEVANT TRANSACTIONS

The bareboat charter and sub-lease agreement were entered into by the CHO Group in its ordinary course of business and/or which are necessary for the day-to-day operations of the CHO Group.

The loan to controlling shareholder is to meet short-term liquidity requirement and ensure the long-term success of the overall "FEG & CHO" Group.

4. AUDIT COMMITTEE'S STATEMENT

The audit committee of the Company ("**Audit Committee**") has reviewed the terms of the Relevant Transactions. The Audit Committee and the Board of Directors are of the view that the Relevant Transactions were entered into on an arm's length basis and on normal commercial terms that were not prejudicial to the interests of the Company as well as its minority shareholders.

5. FUTURE TRANSACTIONS

The CHO Group may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations should the need arises.

The terms and conditions of any Future Transactions with the FEG Group in FY2017 (the "Future Transactions"), if any, will be agreed upon between the CHO Group and the FEG Group, having regard to prevailing market rates of similar services, and will be based on normal commercial terms transacted on an arm's length basis.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the other directors or substantial shareholders of the Company has any interest, direct or indirect, in the Relevant Transactions.

By Order of the Board
Lim Mee Fun
Company Secretary
9 May 2017