

PROPOSED ISSUE OF US\$325,000 CONVERTIBLE NOTES

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, on 23 June 2017, the Company entered into a subscription agreement (individually a “**Subscription Agreement**” and collectively the “**Subscription Agreements**”) with each of the below investors (individually the “**Subscriber**” and collectively the “**Subscribers**”), pursuant to which the Company proposes to issue up to US\$325,000 in aggregate principal amount of convertible notes due 2020 (the “**Notes**”) on the terms and subject to the conditions of the Subscription Agreements (the “**Proposed Issue**”). The Notes are convertible into fully paid-up new ordinary shares of the Company (the “**Conversion Shares**”), pursuant to the proposed terms and conditions of the Notes as set out in Paragraph 3.1 below.

Details of the Subscribers and their respective subscription amounts are set out below:

<u>No.</u>	<u>Subscriber</u>	<u>Subscription amount (US\$)</u>
1.	Airserve Marine Travel Pte Ltd	150,000
2.	David Jonathan Kirk	50,000
3.	Kevin Raymond Lay	35,000
4.	William Henry Lee Darlison	30,000
5.	John Ure	30,000
6.	Lo Ming Hoi David	30,000
		<u>325,000</u>

The Notes will not be listed or quoted on Catalist or any other exchange.

No placement agent has been appointed in respect of the Proposed Issue and no commission or referral fees will be paid to any party.

The Company confirms that the Proposed Issue will not result in any transfer of controlling interests in the Company.

2. INFORMATION ON THE SUBSCRIBERS

Airserve Marine Travel Pte Ltd (“Airserve”)

Airserve is a company incorporated in the Republic of Singapore. It is wholly owned by Blue Sea Services Ltd, a company incorporated in Mauritius. The principal activity of Airserve is that of a travel agency providing ticketing services.

Airserve is a willing investor in the Company and has entered into a Subscription Agreement purely for investment purposes and has no intention of influencing the management of, or exercising control over, the Company. Neither Airserve nor its respective directors or substantial shareholders have any connection with any director or substantial shareholder of the Company. Airserve was introduced to the Company

by Mr. John Grønbech, an Executive Director and the Chief Executive Officer of the Company.

As at the date of this announcement, Airserve does not hold any issued and paid-up shares in the share capital of the Company.

All other Subscribers

Save for Airserve Marine Travel Pte Ltd which is a company (as stated above), all Subscribers are individual willing investors (individually the “**Individual Investor**” and collectively the “**Individual Investors**”) in the Company and each Individual Investor has entered into a Subscription Agreement purely for investment purposes only, and has no intention of influencing the management of, or exercising control over, the Company.

Details of the Individual Subscribers are set out below:

<u>No.</u>	<u>Individual Investor</u>	<u>Manner in which Individual Subscriber was identified</u>
1.	David Jonathan Kirk	(A)
2.	Kevin Raymond Lay	(A)
3.	William Henry Lee Darlison	(B)
4.	John Ure	(A)
5.	Lo Ming Hoi David	(A)

Note:

- (A) The Individual Investor is a current employee of the Company.
- (B) The Individual Investor was introduced to the Company by Mr. John Grønbech, an Executive Director and the Chief Executive Officer of the Company.

As at the date of this announcement, each Individual Investor does not hold any issued and paid-up share capital of the Company.

Accordingly, each of the Subscribers is not intending to acquire additional shares in the Company such that their shareholding (whether direct or indirect) in the Company shall reach 15.0% or more of the enlarged issued and paid-up share capital of the Company.

None of the Subscribers fall within any of the categories as set out in Rule 812 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”).

Save as disclosed, the Company confirms that its Directors and/or substantial shareholders do not have, to the best of their knowledge, any connection (including business relationship) with the Subscribers.

3. PROPOSED ISSUE

3.1 Principal Terms and Conditions of the Notes

Save for the difference in the principal amounts of the Notes to be issued to the Subscribers respectively, the Subscription Agreements are materially identical to one another and to the subscription agreements entered into by the Company and Kim Seng Holdings Pte Ltd (“**KSH**”), Mr. Lim How Teck (“**LHT**”), and Mr. John Gronbech

(“**JG**”). Please refer to the Company’s announcements of 20 March 2017, 29 May 2017 and 15 June 2017 as well as its circular to shareholders dated 31 May 2017 for further information on the proposed issue of convertible notes to KSH, LHT and JG.

The principal terms and conditions of the Notes are summarised as follows:

- | | | |
|------------------------------|---|---|
| Issuer | : | NauticAWT Limited |
| Principal Amount | : | An aggregate principal amount of US\$325,000. Breakdown of the principal amount subscribed by each Subscriber can be found in Paragraph 1 of this announcement |
| Issue Price | : | 100% of the aggregate principal amount of the Notes. |
| Maturity Date | : | Three (3) years from the Completion Date (the “ Maturity Date ”). |
| | | “ Completion Date ” means the date when all the Conditions Precedent as set out in Paragraph 3.2 of this announcement are fulfilled or agreed by the Company and Subscriber(s) to be waived. |
| Form and Denomination | : | The Notes will be issued in registered form, serially numbered in the denomination US\$5,000 each. A note certificate (each a “ Certificate ”) will be issued to the holder of the Notes. Each Note and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Company will procure to be kept by the share registrar of the Company (the “ Registrar ”). |
| Interest | : | The Notes shall bear an interest rate of 10% per annum from the Completion Date and shall be payable in cash semi-annually on each six (6) months anniversary of the Completion Date. |
| Conversion Price | : | The price at which each Conversion Share shall be issued upon conversion is fixed at S\$0.15 (the “ Conversion Price ”). |
| Conversion Price Adjustments | : | There shall be no adjustment or adjustments to the Conversion Price and number of Conversion Shares issued, save for the event of a share consolidation, subdivision, rights, bonus or other capitalisation issue undertaken by the Company. Such adjustment or adjustments to the Conversion Price and number of Conversion Shares, where necessary, shall: <ul style="list-style-type: none"> (i) take into account such proposed alteration in the capital structure of the Company; (ii) comply with the relevant Catalist Rules, including, but not limited to, Rule 829(1) of the Catalist Rules; and |

- (iii) be mutually agreed by those Directors who are not directly or indirectly interested in the subscription, and the Noteholder. If such adjustment or adjustments are not mutually agreed upon, a leading independent and reputable merchant bank or reputable firm of internationally affiliated auditors shall be appointed to opine on the matter.

Any adjustments made to the Conversion Price and the number of Conversion Shares issued, where necessary, will be announced by the Company on the SGXNET.

Conversion Shares : The number of Shares to which a Subscriber is entitled on conversion of the Notes shall be determined by dividing the principal amount of the Notes, translated into Singapore dollars at the spot rate, to be converted by the applicable Conversion Price, determined as hereinafter provided.

Conversion Period : The Notes are convertible at the option of the Noteholder, at any time after the second anniversary of the Completion Date up to 14 business days after the Maturity Date.

Redemption : The Notes are not redeemable prior to the Maturity Date.

The Notes shall be redeemed by the Company at the redemption amount on the Maturity Date, subject to the conversion right of the Subscriber. The Company shall deliver to all Noteholders a notice of the maturity of the Notes no later than one (1) month before the Maturity Date and shall make the necessary announcement on the maturity of such Notes.

Status of the Notes : The Notes constitute direct, unsecured, unconditional and unsubordinated obligations of the Company, and shall rank in preference and priority over all other present and future unsecured obligations (other than indebtedness preferred by mandatory provisions of law) of the Company in terms of repayment of principal, interest and/or unpaid amounts owing to the Subscriber.

The Notes will not be listed or quoted on Catalist or any other exchange.

Status of the Conversion Shares : The Conversion Shares shall rank *pari passu* in all respects with all the existing issued and paid up shares of the Company.

Alteration of Terms : Any material alteration of the Notes to the advantage of the Subscriber requires the approval of the majority of the Shareholders in general meeting.

Governing Law : Singapore Law

The Conversion Price represents a premium of approximately 61.1% to the volume weighted average price of S\$0.0931 for trades done on 22 June 2017 (being the last full market day on which trades were recorded on Catalist of the SGX-ST preceding the date on which the Subscription Agreements were signed). The Conversion Price was arrived at based on a willing buyer, willing seller basis, taking into consideration the historical volume weighted price of the shares of the Company before the signing of the Subscription Agreements.

3.2 Conditions Precedent

Under the Subscription Agreements, the obligation of the Subscribers to subscribe and pay for the Notes and the completion of the Proposed Issue by the Company are subject to, amongst others, the following conditions precedent:

- a. the provision of the Company's written resolutions of its Board approving and authorising: (i) the entry into of the Subscription Agreements, the issuance of the Notes and the performance of all obligations of the Company in relation thereto which include the issuance of the Notes, the issuance of the Conversion Shares (upon conversion of the Notes); and (ii) appropriate persons to execute and deliver the Subscription Agreements, the Notes, and all documents executed or entered into pursuant to each of the foregoing, each in a form approved by the Subscribers (the "**Transaction Documents**") on behalf of the Company and to take any action contemplated hereby and thereby;
- b. approval in principle for the listing and quotation of the Conversion Shares on the Catalist Board of the SGX-ST (the "**Catalist**") being obtained from the SGX-ST and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), such conditions being acceptable to the parties hereto and, to the extent that any conditions for the listing and quotation of the Conversion Shares on SGX-ST are required to be fulfilled on or before the Completion Date (or such other date as the parties may agree) they are so fulfilled;
- c. the execution of the farm-in agreement in respect of the production enhancement project in Block VIIB, West Georgia, as announced by the Company on 16 December 2016;
- d. all other relevant government or regulatory approvals and waivers, Shareholders' approval, and other third party approvals and consents, where applicable and/or required, and any conditions imposed by the authorities in giving such approval having been fulfilled (or waived), for the issue of the Notes, the Conversion Shares and the execution, delivery and performance of the Transaction Documents;
- e. the issue and subscription of the Notes not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Subscriber; and
- f. the specific approval of Shareholders at an extraordinary general meeting ("**EGM**") in respect of the issuance of Notes and the Conversion Shares to that Subscriber, if necessary.

(collectively, the "**Conditions Precedent**").

4. AUTHORITY FOR ALLOTMENT AND ISSUANCE OF CONVERSION SHARES

The Proposed Issue is made pursuant to the share issue mandate approved by the Shareholders to the Directors of the Company at the annual general meeting of the Company held on 27 April 2017, whereby the aggregate number of shares to be issued shall not exceed 50% of the total number of issued shares (excluding treasury shares) as at 27 April 2017 ("**Share Issue Mandate**") in the case where shares are issued other than on a pro rata basis to existing Shareholders. The total number of issued shares as at the date the Share Issue Mandate was passed was 190,965,893 Shares. As such, the maximum number of shares which may be issued pursuant to the Share Issue Mandate is 95,482,947 shares. No shares had previously been issued pursuant to the Share Issue Mandate, and the Proposed Issue is within the limit of the Share Issue Mandate.

The number of Conversion Shares will be determined by dividing the principal amount of the Notes, translated into Singapore dollars at the spot rate for the sale of Singapore dollars against the purchase of United States dollars on the day when the conversion right of the Subscriber is exercised, by the Conversion Price. For illustrative purposes only, based on the exchange rate of US\$1:S\$1.3964 on 30 April 2017, the number of Conversion Shares to be allotted and issued by the Company to the Subscribers pursuant to the full conversion of the Notes will be 3,025,534 in total, assuming no adjustments to the Conversion Price.

Assuming: (i) full conversion of the Notes; and (ii) no further shares of the Company are issued on or prior to the completion of the Proposed Issue, the Conversion Shares would be issued to each Subscriber as follows:

Name	Number of Conversion Shares	% of existing issued share capital ⁽¹⁾	% of enlarged issued share capital ⁽²⁾	% of enlarged issued share capital after the conversion shares issued to KSH, LHT and JG ⁽³⁾
Airserve	1,396,400	0.73%	0.72%	0.70%
David Jonathan Kirk	465,467	0.24%	0.24%	0.23%
Kevin Raymond Lay	325,827	0.17%	0.17%	0.16%
William Henry Lee Darlison	279,280	0.15%	0.14%	0.14%
John Ure	279,280	0.15%	0.14%	0.14%
Lo Ming Hoi David	279,280	0.15%	0.14%	0.14%
Total	3,025,534	1.59%	1.55%	1.51%

Notes:

- (1) The existing issued share capital comprises 190,965,893 Shares.
- (2) The enlarged issued share capital will comprise 193,991,427 Shares, assuming that 3,025,534 Conversion Shares are issued.
- (3) The enlarged issued share capital will comprise 200,275,228 Shares, assuming that 3,025,534 Conversion Shares are issued and an aggregate 6,283,801 conversion shares are issued to KSH (4,654,667 conversion shares), LHT (1,163,667 conversion shares) and JG (465,467 conversion shares) arising from the full conversion of the convertible notes which the Company issued them pursuant to their respective subscription agreements, based on the exchange rate of US\$1:S\$1.3964 on 30 April 2017. The notes issue to KSH, LHT and JG were approved by shareholders on 15 June 2017. Please refer to the Company's announcements of 20 March 2017, 29 May 2017 and 15 June 2017.

2017 as well as its circular to shareholders dated 31 May 2017 for further information on the proposed issue of convertible notes to KSH, LHT and JG.

Accordingly, the Conversion Shares represent approximately: i) 1.59% of the Company's existing issued share capital of 190,965,893 Shares as at the date of this announcement; ii) 1.55% of the enlarged issued share capital assuming full conversion of the Notes and no further shares of the Company are issued on or prior to the completion of the Proposed Issue; and iii) 1.51% of the enlarged share capital assuming full conversion of the Notes and the issue of conversion shares to KSH, LHT and JG of 6,283,801 Shares.

5. FINANCIAL EFFECTS OF THE PROPOSED ISSUE

The pro forma financial effects, as set out below, 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 Issue.

Such pro forma financial effects have been computed based on the audited consolidated financial statements of the Group for the full financial year ended 31 December 2016 ("FY2016") based on the following assumptions:

- (a) the Company has fully issued the Notes in the principal aggregate amount of US\$325,000 on 31 December 2016;
- (b) the financial effects of the Proposed Issue on the NTA per share of the Group are computed assuming that there was full conversion of the Notes and the convertible notes issued to KSH, LHT and JG with principal amounts of US\$500,000, US\$125,000 and US\$50,000 respectively at the Conversion Price on 31 December 2016;
- (c) the financial effects of the Proposed Issue on the earnings per share ("EPS") of the Group are computed assuming that there was full conversion of the Notes and the notes issued to KSH, LHT and JG of US\$500,000, US\$125,000 and US\$50,000 respectively at the Conversion Price on 1 January 2016;
- (d) the number of Conversion Shares and the number of conversion shares issued to KSH, LHT and JG arising from the full conversion of their respective notes was calculated based on the exchange rate of US\$1:S\$1.3964 on 30 April 2017;
- (e) an exchange rate for FY2016 of US\$1:S\$1.3808;
- (f) a closing exchange rate as at 31 December 2016 of US\$1:S\$1.4463; and
- (g) transaction costs incurred for the Proposed Issue are approximately S\$15,000.

5.1 Share Capital

As at 31 December 2016	Before the Conversion Shares	After the Conversion Shares	After the Conversion Shares and the conversion shares issued

			to KSH, LHT and JG
Issued and paid-up share capital (S\$'000)	10,483	10,929	11,871
Number of Shares (excluding treasury shares)	190,965,893	193,991,427	200,275,228

5.2 NTA per Share

As at 31 December 2016	Before the Conversion Shares	After the Conversion Shares	After the Conversion Shares and the conversion shares issued to KSH, LHT and JG
NTA (S\$'000)	9,379	9,798	10,692
Number of Shares	190,965,893	193,991,427	200,275,228
NTA per Share (S\$ cents)	4.90	5.05	5.34

5.3 EPS

FY2016	Before the Conversion Shares	After the Conversion Shares	After the Conversion Shares and the conversion shares issued to KSH, LHT and JG
Profit attributable to owners of the Company (S\$'000)	985	985	985
Weighted average number of Shares	190,965,893	193,991,427	200,275,228
EPS (S\$ cents)	0.52	0.51	0.49

6. RATIONALE OF PROPOSED ISSUE AND USE OF PROCEEDS

The estimated net proceeds from the Proposed Issue, after deducting estimated fees and expenses of approximately S\$15,000, is approximately S\$439,000 (the “**Net Proceeds**”) based on the exchange rate of US\$1:S\$1.3964 on 30 April 2017.

The rationale for the Proposed Issue is to fund in part the production enhancement project in Block VIIB, West Georgia (“**Proposed Transaction**”), as announced by the Company on 16 December 2016. The Company intends to utilise the Net Proceeds to fund in part the consideration of the Proposed Transaction. Please refer to the Company’s announcements of 16 December 2016, 16 March 2017, 20 March 2017 and 15 June 2017 as well as its circular to shareholders dated 31 May 2017 for further information on the Proposed Transaction.

The Company will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company’s annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Directors are of the opinion that: (i) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the present bank facilities and Net Proceeds of the Proposed Issue, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Company has decided to undertake the Proposed Issue to fund in part the Proposed Transaction.

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Issue will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Issue.

8. ADDITIONAL LISTING AND QUOTATION APPLICATION TO THE SGX-ST

An application will be made to the SGX-ST via the Sponsor in due course for the listing and quotation of the Conversion Shares to be issued upon conversion of the Notes from time to time within the Conversion Period. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Conversion Shares has been obtained from the SGX-ST.

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 Issue, 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. 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 Issue (other than through their respective shareholdings in the Company, if any).

11. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately. The Proposed Issue is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Issue will be completed or that no changes will be made to the terms thereof.

12. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreements will be 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.

13. ANNOUNCEMENTS

Further announcements in relation to the Proposed Issue will be made in due course as and when appropriate.

By Order of the Board

John Grønbech
Executive Director and CEO
23 June 2017

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 12 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 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.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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 Mr Sebastian Jones, Director, SAC Advisors Private Limited, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.
