Vallianz Holdings Limited
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NEWS RELEASE

Rawabi Cements its Position as the Single Largest Shareholder of Vallianz

- Strategic partner's stake in Vallianz lifted to 41.2% immediately after a Rights cum Warrants issue
- Rawabi plans to further raise its shareholding to above 50% by exercising its entitled Warrants

Singapore, 27 December 2017 – Vallianz Holdings Limited ("**Vallianz**" or the "**Company**", and together with its subsidiaries, the "**Group**"), one of the largest providers of offshore support vessels ("**OSV**") in the Middle East, today announced the completion of its renounceable non-underwritten 1-for-1 rights cum warrants issue ("**Rights cum Warrants Issue**").

As a result of the Rights cum Warrants Issue, the Group's controlling shareholder and strategic partner, Rawabi Holding Company Limited ("**Rawabi**"), has raised its equity interest in Vallianz immediately after the Rights cum Warrants Issue to 41.2% of the Company's enlarged issued Shares from approximately 14.8% previously.

In total, Rawabi has subscribed for its *pro rata* entitlement of 672,000,000 Rights Shares with 1,344,000,000 Warrants, as well as 2,372,504,599 Excess Rights Shares with 4,745,009,198 Warrants. As Rawabi will be exercising most of its Warrants, its shareholding in Vallianz will increase further to 57.2%, assuming Swiber Holdings Limited (Judicial Mangers Appointed) ("**SHL**") also exercises its Warrants and other shareholders do not exercise.

Rawabi's subscription of 3,044,504,599 Rights and Excess Rights Shares with Warrants in Vallianz amounted to approximately S$48.7 million. This subscription amount is used to set-off against the advances from Rawabi in accordance with the RHCL SOSA. The subscription amount of approximately S$93.0 million from the exercise of most of its Warrants by Rawabi will also be used to set-off against all remaining advances owing by Vallianz to Rawabi.

SHL has subscribed for its *pro rata* entitlement of 903,534,986 Rights Shares with 1,807,069,972 Warrants. Following this subscription and the exercise of its Warrants, SHL's shareholding in Vallianz will increase to 21.7% of the Company's enlarged issued Shares, after the exercise of Rawabi's Warrants and assuming other shareholders do not exercise.

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Similarly, the Group has set-off around S$14.5 million against the amount owing to SHL following SHL's subscription for its *pro rata* entitlement of 903,534,986 Rights Shares with Warrants in Vallianz. On the assumption that Vallianz and SHL are able to fully novate and offset the amounts owing to and from their respective subsidiaries and associates, then upon SHL exercising all its 1,807,069,972 Warrants, the Group will be able to set-off a further amount of approximately S$28.9 million against the balance owing to SHL.

With the completion of the Rights cum Warrants Issue, the Group has set into motion the respective set-off and settlement agreements ("**SOSA**") with Rawabi and SHL.

Said Sheikh Abdulaziz AlTurki, Rawabi's Group Chairman, "Rawabi remains confident of Vallianz's business and prospects over the long term. As its largest shareholder and strategic partner, we will continue to support the Group and ensure that it is in a strong position, both financially and operationally, to execute its long-term growth plans."

Although the business environment in the global offshore marine sector continues to be challenging, Vallianz's resilient business model has enabled it to withstand the adverse market conditions as the Group has reported improving operating profit quarter after quarter since end-September 2016.

Said Mr Ling Yong Wah, CEO of Vallianz, "The Rights cum Warrants Issue clears the path for the Group to resolve the outstanding issue with SHL and also strengthen our balance sheet. We see exciting opportunities for Vallianz to further expand our business by leveraging our leading market position as one of the largest OSV players in the Middle East."

This news release should be read in conjunction with the Group's announcements posted on the SGX website on 27 December 2017.

About Vallianz Holdings Limited

Vallianz Holdings Limited is one of the largest providers of offshore support vessels to the oil and gas industry in the Middle East. Headquartered in Singapore, the Group also provides offshore marine services to oil majors and national oil companies worldwide. Today, Vallianz owns and operates a young fleet of 55 offshore support vessels and covers markets in the Middle East, Asia Pacific and Latin America.

To strengthen its foundation for growth, the Group is currently executing initiatives to expand its geographical reach, as well as broaden its range of marine assets and solutions. The Group also continues to seek opportunities and strategic alliances to increase its penetration in the major and emerging offshore oil and gas markets. Listed on SGX-Catalist, Vallianz is helmed by an experienced management team.

For more details, please refer to www.vallianzholdings.com

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

This 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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