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RESPONSE TO SGX QUERIES

The Board of Directors of Swiber Holdings Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) wishes to provide the following clarification in response to the public queries raised by the Singapore Exchange Securities Trading Limited (“**SGX**”) on 21 July 2016 in relation to the SGX queries on the Business Times Articles dated 20 July 2016 and the Company’s announcements dated 8 July 2016 and 11 July 2016:

SGX Query 1(a)

US\$710 million offshore field development project in West Africa (the "Project")

The Company disclosed that due to weakness in the oil and gas sector since the latter half of 2014, the project has not been able to progress in accordance with its original schedule. The Company first announced the award of the contract on 15 December 2014. The Project was to commence in the first quarter of 2015 and completion was expected to take place in the middle of 2017.

- a) *When did the Company first become aware that the Project would not be able to progress in accordance with the original schedule and under what circumstances?*

Company’s response

The Company has been in discussions with the client to understand when work can commence on the Project. On 30 June 2016 to 5 July 2016, the client’s representative met with the Company. It was during this meeting that the Company understood that the Project was to be delayed and that work would not be completed in the middle of 2017 as originally scheduled.

SGX Query 1(b)

- b) *Are there any material conditions in the contract which were not fulfilled, which led to the delay in the progress of the Project? If so, why did the Company not announce such material conditions when the announcement on the award of the Project was made on 15 December 2014?*

Company’s response

As announced by the Company on 8 July 2016, the delay of the Project is due to the weakness in the oil and gas sector since the latter half of 2014 and not because any material conditions in the award letter were not fulfilled.

SGX Query 1(c)

- c) *Why did the Company not make an announcement at the time of first knowledge of the delay or non-fulfilment of the material conditions?*

Company's response

The announcement regarding the delay of the Project was released by the Company on 8 July 2016 during the Company's trading halt which commenced on 4 July 2016. As mentioned in 1(b) above, there has not been any non-fulfilment of any material condition in the award letter.

SGX Query 1(d)

- d) *How much costs have been incurred by the Company on the Project? Will the Company be able to recover such costs from the oil and gas company? If not, why?*

Company's response

Up to 31 March 2016, the Company has incurred no more than US\$2.0 million in cost on the Project. On prudent grounds, such cost has been expensed off.

SGX Query 2(a)

Letters of Demand

- a) *Provide the Board's confirmation that the amount of US\$4.76 million announced on 8 July 2016 is an aggregate of all demand letters including all statutory demands received by the Group that have not been fully paid off as at the date of that announcement.*

Company's response

The Board confirms that as of 8 July 2016, the aggregate amount of all outstanding demand letters (including all statutory demands received by the Group that had not been fully paid off) was US\$4.76 million.

SGX Query 2(b)

- b) *Are there any other material legal proceedings against the Company and/or its subsidiaries that have not been announced?*

Company's response

As of the date of this announcement, the aggregate amount of all outstanding demand letters (including all statutory demands received by the Group that had not been fully paid off) for which legal proceedings have not commenced is US\$15.2 million.

SGX Query 3(a)

Delay in Proposed Subscription of Preference Shares in Swiber Investment Limited

*In relation to the delay in the proposed subscription of preference shares in Swiber Investment Limited ("SIL") by AMTC Ltd (the "Subscriber"), we note that SIL had entered into a Preference Shares Subscription Agreement ("**Subscription Agreement**") with the Subscriber on 9 June 2016. The Company disclosed that it did not announce the Subscription Agreement as the Subscriber had requested for completion to be postponed.*

- a) *What was the completion date as stated in the Subscription Agreement?*

Company's response

Under the Subscription Agreement, completion of the proposed subscription was to take place on or prior to 16 June 2016.

SGX Query 3(b)

- b) *When did the Subscriber request that completion be postponed?*

Company's response

On 10 June 2016, the Subscriber contacted SIL and requested that further due diligence be carried out in respect of the transaction prior to completion, after which, the transaction was not completed on 16 June 2016.

On 25 June 2016, the Subscriber confirmed to SIL that it was satisfied with the due diligence and SIL agreed to extend the completion date of the transaction to 29 June 2016.

On 27 June 2016, SIL received a letter from the Subscriber requesting a further extension of the completion date to a later date to be mutually agreed. On the same day, SIL replied and stated that it was not agreeable to such further extension. Nonetheless, the Subscriber failed to complete the transaction by 29 June 2016.

On 4 July 2016, the Company requested for a trading halt and on 11 July 2016, the Company released the announcement in respect of the transaction.

SGX Query 3(c)

- c) *Why did the Company not make an announcement on the signing of the Subscription Agreement on 9 June 2016?*

Company's response

The Board decided not to announce the transaction on the date of signing of the Subscription Agreement taking into consideration the uncertainty of completion of the transaction as detailed in 3(b) above and the risk of creating a false market in its shares if the transaction were to be announced then.

SGX Query 4(a)

Vessel detained in China

The Business Times article mentioned that Kaizen 4000 "due to start work on a project in August, is still sitting in a Chinese yard".

a) *Which project is the abovementioned vessel to be deployed?*

Company's response

The abovementioned vessel was to be deployed for the project in the waters off Vietnam, which was announced by the Company on 7 June 2016.

SGX Query 4(b)

b) *What is the status of the project?*

Company's response

The Group received a termination letter dated 18 July 2016 from the client in respect of the project but the Group is disputing such termination. No announcement was made by the Company in respect of such termination because the value of the contract is approximately US\$21 million and the Company is of the view that such amount is immaterial based on calculations against its annualised revenue, net tangible assets and assets figures for the first financial quarter ended 31 March 2016.

SGX Query 4(c)

c) *What are the reasons for the detainment of the vessel and what is the resultant impact on the Group?*

Company's response

The vessel has not been detained.

By Order of the Board

Raymond Kim Goh
Chairman

25 July 2016