

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

**UPDATE ON BREACH OF PAYMENT OBLIGATION IN RESPECT OF
JASPER COSMOPOLITAN – ADDENDUM TO CONVERSION CONTRACT**

The Board of Directors (the “**Board**”) of Jasper Investments Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 22 August 2014, 25 August 2014 and 1 September 2014 (the “**Previous Announcements**”). Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Previous Announcements.

The Board wishes to inform that further to the Previous Announcements, Jasper Cosmopolitan had entered into negotiations with, *inter alia*, Yiulian Shipyard, with the intention of reaching an agreement on a profit share arrangement in the interest of enhancing the Vessel’s sale price. Pursuant to the negotiations, Jasper Cosmopolitan has on 4 September 2014 entered into an addendum with, *inter alia*, Yiulian Shipyard (the “**Addendum**”) to the original conversion contract (the “**Conversion Contract**”).

The key terms of the Addendum are summarised as follows:

- (a) The parties agree that the final amount due to Yiulian Shipyard and the builder of the Vessel (the “**Builder**”) under the Conversion Contract shall be US\$68,678,519 (the “**Agreed Balance**”).
- (b) From the date of the Addendum, Yiulian Shipyard and the Builder may market the Vessel on Jasper Cosmopolitan’s behalf, without prejudice to Yiulian Shipyard’s right to dispose of the Vessel under the Conversion Contract. The parties shall collaborate and use all reasonable efforts to obtain the highest possible sale price for the Vessel within a period of two months from the signing of the Addendum.
- (c) The net proceeds from the sale of the Vessel (the “**Sale Price**”) shall be apportioned as follows:
 - (i) Yiulian Shipyard and the Builder shall be entitled to (1) an amount equal to the aggregate of the Agreed Balance and the reasonable and documented costs and expenses of sale incurred by Yiulian Shipyard and the Builder (the “**Initial Entitlement**”), and (2) 25% of the remainder of the Sale Price (if any) after deducting the Initial Entitlement; and
 - (ii) Jasper Cosmopolitan shall be entitled to 75% of the remainder of the Sale Price (if any) after deducting the Initial Entitlement.
- (d) Effective from 1 September 2014, the Vessel shall be maintained by Yiulian Shipyard and all costs of crew and maintaining the Vessel after 1 September 2014 shall be borne by Yiulian Shipyard.

- (e) The parties agree that upon the occurrence of any of the following events, they (and their assigns and successors) shall be discharged of all claims that they have or may have against each other:
- (i) upon completion of the sale of the Vessel and receipt of the sale proceeds in accordance with the provisos set out under paragraph (c) above;
 - (ii) in the event the net sale proceeds of the Vessel are less than the Initial Entitlement, upon receipt by Yiulian Shipyard and the Builder of such net sale proceeds;
 - (iii) upon the transfer of title of the Vessel by Jasper Cosmopolitan (at its option) to Yiulian Shipyard and/or the Builder (or their nominee). In this regard, if the parties, despite their joint efforts to market and sell the Vessel, are unable to effect a sale in accordance with the Addendum by 2 months from the signing of the Addendum, Jasper Cosmopolitan shall have the option to transfer title to the Vessel to Yiulian Shipyard and/or the Builder (or their nominee).

Further announcements will be made on any material developments on the foregoing matters, as and when appropriate.

In the meantime, Shareholders are advised to exercise caution when dealing in the securities of the Company and refrain from taking any action in relation to their securities which may be prejudicial to their interests.

BY ORDER OF THE BOARD

Paul Carsten Pedersen
Chief Executive Officer
5 September 2014