

Vard Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201012504K)

Fincantieri Oil & Gas S.p.A.

(Incorporated in Italy)
(Company Registration No.: 04795811001)

JOINT ANNOUNCEMENT

PROPOSED VOLUNTARY DELISTING OF VARD HOLDINGS LIMITED

1. INTRODUCTION

- 1.1 The Delisting Proposal.** Vard Holdings Limited ("**Vard**") and Fincantieri Oil & Gas S.p.A. (the "**Offeror**"), a direct wholly-owned subsidiary of Fincantieri S.p.A. ("**Fincantieri**"), wish to jointly announce that the Offeror has presented to the board of directors of Vard (the "**Board**") a proposal to seek the privatisation (the "**Delisting Proposal**") of Vard by way of a voluntary delisting (the "**Delisting**") from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Delisting is proposed to be made pursuant to Rule 1307 and Rule 1309 of the listing manual of the SGX-ST (the "**Listing Manual**").

Under the Delisting Proposal, Citigroup Global Markets Singapore Pte. Ltd. ("**Citigroup**"), for and on behalf of the Offeror, will make an exit offer (the "**Exit Offer**") to acquire:

- 1.1.1** all the issued ordinary shares in Vard (the "**Shares**") held by the shareholders of Vard (the "**Shareholders**"), other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees; and
- 1.1.2** if applicable, all Shares issued or to be issued pursuant to the valid exercise, on or prior to the closing date of the Exit Offer, of any option to subscribe for new Shares under Vard's share option scheme for employees (the "**Option Scheme**").

As at the date of this Joint Announcement (the "**Joint Announcement Date**"), there are no outstanding options exercisable in respect of the Shares under the Option Scheme.

- 1.2 Delisting Announcement.** Vard and the Offeror wish to jointly announce that the Board has considered the Delisting Proposal made by the Offeror and as a result has resolved to make an application to the SGX-ST for approval of the Delisting and to convene an extraordinary general meeting of Vard (the "**EGM**") in due course to seek the approval of the Shareholders in respect of the resolution for the Delisting (the "**Delisting Resolution**").

- 1.3 Independent Financial Adviser.** The Board wishes to inform the Shareholders that it will appoint an independent financial adviser (the “**IFA**”) to advise the directors of Vard who are considered independent for the purposes of the Exit Offer (the “**Independent Vard Directors**”) in relation to the Exit Offer. The IFA will issue its formal opinion in the Circular (as defined in paragraph 2.5 below). The recommendation of the Independent Vard Directors will be set out in the Circular.

No immediate action is required on the part of the Shareholders in respect of the Exit Offer. They will be advised on the procedures for accepting the Exit Offer when the Circular and the Exit Offer Letter (as defined in paragraph 2.5 below) are despatched.

2. THE DELISTING PROPOSAL BY THE OFFEROR

- 2.1 Exit Offer.** The Exit Offer is extended to:

- 2.1.1** all the Shares held by the Shareholders, other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees; and
- 2.1.2** if applicable, all Shares issued or to be issued pursuant to the valid exercise, on or prior to the closing date of the Exit Offer, of any option to subscribe for new Shares under the Option Scheme,

(all such Shares, the “**Offer Shares**”).

- 2.2 Exit Offer Price.** Under the Exit Offer, the Offeror proposes to offer the Shareholders S\$0.25 in cash for each Offer Share tendered in acceptance of the Exit Offer (the “**Exit Offer Price**”).

- 2.3 Benchmarking the Exit Offer Price.** Set out below are the premiums of the Exit Offer Price over:

- 2.3.1** the net tangible assets (“**NTA**”) per Share as at 30 September 2017; and
- 2.3.2** the benchmark prices of the Shares up to, and including, 10 November 2017, being the last full market day of trading in the Shares on the SGX-ST preceding the date of this Joint Announcement (the “**Last Trading Day**”).

	Description	Benchmark Price (S\$) ⁽¹⁾	Premium over / (discount to) Benchmark Price (%) ⁽²⁾
(a)	NTA per Share as at 30 September 2017 ⁽³⁾	0.25	0.5
(b)	Last transacted price per Share on the Last Trading Day	0.25	0.0
(c)	Volume weighted average price (“ VWAP ”) of the Shares for the one-month period up to and including the Last Trading Day	0.25	(0.9)

	Description	Benchmark Price (S\$) ⁽¹⁾	Premium over / (discount to) Benchmark Price (%) ⁽²⁾
(d)	VWAP of the Shares for the three-month period up to and including the Last Trading Day	0.24	2.5
(e)	VWAP of the Shares for the six-month period up to and including the Last Trading Day	0.24	3.6

Notes:

- (1) Source: Bloomberg L.P., rounded to the nearest two decimal places.
(2) Rounded to the nearest one decimal place.
(3) Assuming an exchange rate of NOK1 = S\$0.1673 as at 10 November 2017.

2.4 No Encumbrances. The Offer Shares held by the Shareholders will be acquired:

- 2.4.1 fully paid;
- 2.4.2 free from all claims, charges, liens, mortgages, encumbrances, hypothecation, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature ("**Encumbrances**"); and
- 2.4.3 together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all dividends, rights, other distributions and return of capital ("**Distributions**") announced, declared, paid or made by Vard on or after the Joint Announcement Date.

If any Distribution is declared, made or paid by Vard on or after the Joint Announcement Date to a Shareholder who accepts or has accepted the Exit Offer, the Offeror reserves the right to reduce the Exit Offer Price payable to such accepting Shareholder by the amount of such Distribution.

2.5 Further Information. Further information on the terms and conditions of the Exit Offer will be set out in the circular to the Shareholders which will contain, *inter alia*, information pertaining to the Delisting Proposal and the Exit Offer and will incorporate the advice of the IFA to the Independent Vard Directors and the recommendation of the Independent Vard Directors (the "**Circular**") and the letter to Shareholders setting out the terms and conditions of the Exit Offer (the "**Exit Offer Letter**").

2.6 Conditions to Delisting and Exit Offer. The Delisting and Exit Offer are conditional upon:

- 2.6.1 the SGX-ST agreeing to the application by Vard to delist from the Official List of the SGX-ST. The application in relation to the foregoing will be made by Vard to the SGX-ST in due course after the release of this Joint Announcement; and
- 2.6.2 the Delisting Resolution being passed at the EGM. Pursuant to Rule 1307 of the Listing Manual, the Delisting Resolution is considered passed if it is approved by a majority of at least 75 per cent. of the total number of Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM, and if the Delisting Resolution has not

been voted against by 10 per cent. or more of the total number of Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy, at the EGM.

Under Rule 1307 of the Listing Manual, all Shareholders (including the directors of Vard (the “**Vard Directors**”), the Offeror and its related corporations and their respective nominees) are entitled to vote on the Delisting Resolution.

As at the Joint Announcement Date, the aggregate number of Shares held by the Offeror amount to 936,225,710 Shares, representing approximately 79.34 per cent. of the issued share capital of Vard¹. The Offeror intends to vote all the 936,225,710 Shares held by it in favour of the Delisting Resolution at the EGM.

The Shareholders may accept the Exit Offer in full or in part. **The Exit Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.**

2.7 Options. As at the Joint Announcement Date, there are no outstanding options exercisable in respect of the Shares under the Option Scheme.

2.8 Warranty by Shareholders. A Shareholder who tenders his Offer Shares in acceptance of the Exit Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by Vard on or after the Joint Announcement Date.

2.9 Duration. If the Exit Offer Letter is despatched together with the Circular, the Exit Offer will be open for acceptance by the Shareholders for a period of at least 14 days after the date of announcement of the Shareholders’ approval of the Delisting. If the Exit Offer Letter is despatched after approval of the Delisting Resolution at the EGM, the Exit Offer will be open for acceptance by the Shareholders for a period of at least 21 days after the date of despatch of the Exit Offer Letter.

It is expected that the Exit Offer Letter and the relevant acceptance form(s) will be despatched to the Shareholders together with the Circular.

2.10 Overseas Shareholders. The availability of the Exit Offer to Shareholders whose addresses are outside Singapore, as shown on the register of holders of the Shares or, as the case may be, in the records of The Central Depository (Pte) Limited (“**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Exit Offer will be open to all Shareholders, including those to whom the Exit Offer Letter, the relevant acceptance forms and/or any related documents may not be sent, provided that the Exit Offer Letter, the relevant acceptance forms and/or any related documents do not constitute an offer or a

¹ All references to percentage shareholding of the issued share capital of Vard in this Joint Announcement are based on 1,180,000,000 Shares as at the Joint Announcement Date.

solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful, and the Exit Offer is not being made into any jurisdiction in which the making or acceptance of the Exit Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Exit Offer to Shareholders in any such jurisdiction.

Overseas Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.

Further details in relation to the Overseas Shareholders will be contained in the Circular and the Exit Offer Letter.

3. RATIONALE FOR THE DELISTING PROPOSAL AND EXIT OFFER

3.1 Opportunity for Shareholders to Exit their Investment slightly above the NTA value of the Shares. The Exit Offer represents a cash exit opportunity for Shareholders to liquidate and realise their entire investment slightly above the NTA value of the Shares as of the third quarter ended 30 September 2017, without incurring brokerage and other trading costs.

Quarter		NTA per Share (S\$) ⁽¹⁾
(a)	As of the third quarter ended 30 September 2017	0.25
(b)	As of the second quarter ended 30 June 2017	0.24
(c)	As of the first quarter ended 31 March 2017	0.25
(d)	As of the fourth quarter ended 31 December 2016	0.25

Note:

(1) Assuming an exchange rate of NOK1 = S\$0.1673 as at 10 November 2017.

3.2 Low Free Float and Low Trading Liquidity of Shares. Recent market data shows that the Shares have been generally thinly traded on the SGX-ST and with only sporadic trading volume.

For the six-month period prior to and including the Last Trading Day, the average trading volume for the market days on which the Shares were traded was 675,277 Shares, representing approximately 0.28 per cent. of the Company's free float² of Shares. During this six-month period, the Offeror bought 57,481,500 Shares on the market at a price of S\$0.24. Excluding the Shares bought by the Offeror, the average trading volume for the market days on which the Shares were traded was 175,437 Shares, representing approximately 0.07 per cent. of the Company's free float of Shares.

² The free float of Vard represents the total number of Shares which are held by the public, being 243,774,290 Shares as at the Joint Announcement Date.

Period prior to and including the Last Trading Day	Average daily trading volume ⁽¹⁾	Approximate percentage of total number of free float Shares (%)	Average daily trading volume excluding Shares bought by the Offeror ⁽¹⁾	Approximate percentage of total number of free float of Shares (%)
(a) Last one-month	239,305	0.10	212,632	0.09
(b) Last three-months	343,907	0.14	174,861	0.07
(c) Last six-months	675,277	0.28	175,437	0.07

Note:

- (1) Source: Bloomberg L.P.. The average daily volume is computed based on the total trading volume of the Shares for all market days for the relevant parties immediately prior to and including the Last Trading Day, divided by the total number of market days during the respective periods.

The Exit Offer therefore represents a clean cash exit opportunity for Shareholders (without incurring any brokerage and other trading costs) to realise their entire investment in the Shares above the latest announced NTA value of the Shares as of the third quarter ended 30 September 2017, an opportunity that otherwise may not be available due to the low trading liquidity and low free float of the Shares.

3.3 Business Rationale and Greater Management Flexibility. As previously mentioned in the offer document dated 1 December 2016 issued by Credit Suisse (Singapore) Limited for and on behalf of the Offeror in relation to the Offeror's voluntary conditional cash offer for the Shares, the Offeror has long been convinced of a strong business rationale in fully integrating Vard with Fincantieri and its subsidiaries (the "**Fincantieri Group**"). Since the acquisition of the majority stake in Vard in 2013, the Offeror's objective has been to delist Vard and to implement a series of synergies in engineering and production. Such industrial rationale has only become stronger in the context of the persisting unfavourable oil & gas market conditions. The Offeror believes that the delisting would provide the management of Vard with the flexibility to manage and develop its existing businesses while exploring further opportunities without the attendant cost, regulatory restrictions and compliance issues associated with its listed status on the SGX-ST. With the current backdrop of unfavourable oil & gas market conditions, such management flexibility is of paramount importance in order for Vard, with the support of the Fincantieri Group, to be able to develop industrial and commercial initiatives, optimise the use of their resources and generate mutual business opportunities to help secure Vard's future.

3.4 Costs of Maintaining Listing Status. In maintaining its listed status, Vard incurs compliance and associated costs. The Delisting would allow Vard to dispense with expenses relating to the maintenance of a listed status and focus its resources on its business operations. Furthermore, for so long as Vard operates as a separate SGX-ST listed entity, efforts to fully integrate Vard's activities with those of the Fincantieri Group would remain subject to Vard's continuing compliance with the requirements of the Listing Manual.

3.5 Funding Requirements. The Offeror believes that by delisting Vard and fully integrating Vard with the Fincantieri Group, Vard will have improved access to funding on terms consistent with its needs in the event market conditions continue to deteriorate and the Fincantieri Group will be in a better position to provide financial support to its wholly-owned subsidiary. If Vard is not privatised and fully integrated with the Fincantieri Group, the Offeror

believes that, in the event market conditions continue to deteriorate and Vard is unable to raise debt financing at terms consistent with its needs, Vard may be required to seek alternative avenues of funding, including equity fund raising on the SGX-ST, in order to support current business operations and requirements of Vard and its subsidiaries.

4. OFFEROR'S INTENTIONS IN RELATION TO VARD

4.1 Offeror's Intention to Vote on Delisting Resolution

The Offeror does not intend to maintain or support any action taken or to be taken to maintain the present listing status of Vard. Accordingly, the Offeror intends to vote all of the 936,225,710 Shares, representing 79.34 per cent. of the issued Shares, held by it in favour of the Delisting Resolution at the EGM.

Shareholders should note that in the event the conditions set out in paragraphs 2.6.1 and 2.6.2 are satisfied, Vard will be delisted from the Official List of the SGX-ST on or after the close of the Exit Offer, irrespective of the number of acceptances received by the Offeror in respect of the Exit Offer.

4.2 Offeror's Future Plans for Vard

The Offeror intends for Vard to continue its existing business activities and there are no plans to (i) introduce any major changes to the business of Vard or the operations of any of its subsidiaries, (ii) re-deploy any of the fixed assets of Vard or (iii) discontinue the employment of any of the existing employees of Vard and/or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to Vard which may present themselves and which the Offeror may regard to be in the best interests of Vard.

5. COMPULSORY ACQUISITION

- 5.1** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), if the Offeror receives valid acceptances pursuant to the Exit Offer or acquires Offer Shares during the Exit Offer period otherwise than through valid acceptances of the Exit Offer in respect of not less than 90 per cent. of the total number of Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of despatch of the Exit Offer Letter), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Exit Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Exit Offer.

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Offer Shares of the Dissenting Shareholders, the Offeror intends to exercise its right of compulsory acquisition. In such event, Vard will become a wholly-owned subsidiary of the Offeror pursuant to such compulsory acquisition and the Offeror will then proceed to delist Vard from the SGX-ST.

- 5.2 Dissenting Shareholders' Right.** In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of Shares, the Dissenting Shareholders have a right to require the Offeror to

acquire their Shares at the Exit Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

6. INFORMATION ON THE PARTIES

- 6.1 Vard.** The Company is incorporated in Singapore and listed on the Main Board of the SGX-ST since 12 November 2010 and is the parent company of the Vard group (the “**Vard Group**”). Headquartered in Norway and with approximately 9,000 employees, the Vard Group operates nine strategically located shipbuilding facilities, including five in Norway, two in Romania, one in Brazil and one in Vietnam. The core business of the Vard Group is the design and construction of complex and highly customized specialized vessels. Through its specialized subsidiaries, the Vard Group develops power and automation systems, deck handling equipment, and vessel accommodation solutions, and provides design and engineering services to the global maritime industry.

The Board comprises the following:

Mr Giuseppe Coronella (Chairman of the Board and Non-Executive Director)
Mr Roy Reite (Chief Executive Officer and Executive Director)
Mr Vittorio Zane (Executive Vice President and Executive Director)
Mr Claudio Cisilino (Non-Executive Director)
Mr Sung Hyon Sok (Independent Director)
Mr Keen Whye Lee (Lead Independent Director)

- 6.2 The Offeror.** The Offeror is incorporated in Italy and is a direct wholly-owned subsidiary of Fincantieri. The corporate purpose of the Offeror is the manufacturing (directly or through its subsidiaries) of highly technological equipment, systems and components for the oil & gas sector, including construction, maintenance and transformation of offshore vessels and/or rigs. The Offeror may also acquire, manage and sell participations in the industrial, real estate or services sectors, provide administrative and consulting services to its subsidiaries and affiliates, manage real estate property of any kind, and acquire, manage and develop intellectual property rights.

As of the date of this Joint Announcement:

- 6.2.1** the Offeror is the majority shareholder of Vard, holding 936,225,710 Shares (representing approximately 79.34 per cent. of the issued Shares); and

- 6.2.2** the directors of the Offeror are Mr. Enrico Buschi, Mr. Giuseppe Dado, Mr. Vitaliano Pappaianni, Mr. Riccardo Bonalumi and Ms. Monica Polidori.

- 6.3 Fincantieri.** Fincantieri is incorporated in Italy and is a public limited company listed on the Italian stock market (Mercato Telematico Azionario) since 3 July 2014. The Fincantieri Group forms one of the world’s largest shipbuilding groups and one of the most diversified and innovative shipbuilding groups in the industry. The Fincantieri Group is focused on high value-added segments with significant engineering content and holds a leading position in each of these segments which makes it one of the most technologically complex industrial groups globally. The Fincantieri Group is a world leader in the design and construction of cruise ships, among the world leaders in the design and construction of combat, auxiliary, special naval vessels and submarines and one of the main global players in the design and construction of high-end offshore support vessels. The Fincantieri Group has built more than 7,000 vessels in

over 230 years of maritime history. With around 19,500 employees and 20 shipyards in four continents, the Fincantieri Group is today the leading Western shipbuilder. It has among its clients the major cruise operators, the Italian and the U.S. Navy, in addition to several foreign navies, and it is partner to some of the main European defense companies within supranational programmes.

7. LISTING MANUAL PROVISIONS PERTAINING TO THE DELISTING

7.1 Rule 1307 of the Listing Manual. Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by Vard to delist from the Official List of the SGX-ST if:

- 7.1.1 Vard convenes the EGM to obtain the approval of the Shareholders in relation to the Delisting Resolution;
- 7.1.2 the Delisting Resolution is approved by a majority of at least 75 per cent. of the total number of Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM. In this respect, the Vard Directors, the Offeror, its related corporations and their respective nominees need not abstain from voting on the Delisting Resolution; and
- 7.1.3 the Delisting Resolution is not voted against by 10 per cent. or more of the total number of Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

7.2 Rule 1309 of the Listing Manual. In addition, Rule 1309 of the Listing Manual requires that if Vard is seeking to delist from the Official List of the SGX-ST:

- 7.2.1 a reasonable exit alternative, which should normally be in cash, should be offered to the Shareholders and holders of any other classes of listed securities to be delisted; and
- 7.2.2 Vard should normally appoint an IFA to advise on the Exit Offer.

8. RULINGS AND CONFIRMATION FROM THE SECURITIES INDUSTRY COUNCIL

8.1 SIC Rulings and Confirmation. An application was made by the Offeror to the Securities Industry Council of Singapore (the “SIC”) to seek certain rulings in relation to the Delisting Proposal and the Exit Offer. The SIC ruled on 23 October 2017, *inter alia*, that:

- 8.1.1 the Exit Offer is exempted from compliance with the following provisions of the Singapore Code on Take-overs and Mergers:
 - (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
 - (ii) Rule 22 on the offer timetable;
 - (iii) Rule 28 on acceptances; and
 - (iv) Rule 29 on the right of acceptors to withdraw their acceptances,subject to the following conditions:

- (I) the Exit Offer remaining open for at least:
 - (a) 21 days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter is despatched after Shareholders' approval for the Delisting has been obtained; or
 - (b) 14 days after the date of the announcement of Shareholders' approval of the Delisting if the Exit Offer Letter is despatched on the same date as the Circular; and
- (II) disclosure in the Circular of:
 - (a) the consolidated NTA per share of the group comprising Vard, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Circular; and
 - (b) particulars of all known material changes as of the latest practicable date which may affect the consolidated NTA per share referred to in paragraph 8.1.1(II)(a) above or a statement that there are no such known material changes; and

8.1.2 the following Vard Directors: Mr. Giuseppe Coronella, Mr. Vittorio Zane and Mr. Claudio Cisilino (collectively, the **"Relevant Directors"**) are exempted from the requirement to make a recommendation on the Exit Offer to the Shareholders as the Relevant Directors face a conflict of interests in view of them being directors of the Offeror and employees of the Fincantieri Group. Nevertheless, each of the Relevant Directors must still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, Vard in connection with the Exit Offer.

9. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS OF THE RELEVANT PERSONS

9.1 **Shareholdings and Dealings.** The **Schedule** to this Joint Announcement sets out:

- 9.1.1 the number of Shares owned, controlled or agreed to be acquired by:
 - (i) the Offeror and its directors;
 - (ii) Fincantieri; and
 - (iii) Citigroup,
 (collectively, the **"Relevant Persons"**) as at the Joint Announcement Date; and
- 9.1.2 whether any of such Relevant Persons has dealt in any Shares during the three-month period prior to the Joint Announcement Date (the **"Reference Period"**) and if so, particulars of any such dealings.

9.2 **No Other Holdings or Dealings.** Save as disclosed in the **Schedule** to this Joint Announcement, as at the Joint Announcement Date, neither the Offeror nor the other Relevant Persons owns, controls or has agreed to acquire or has dealt for value in any (i) Shares, (ii) securities which carry voting rights in Vard or (iii) convertible securities, warrants,

options or derivatives in respect of such Shares or securities which carry voting rights in Vard (collectively, the “**Relevant Securities**”) during the Reference Period or as at the date of this Joint Announcement.

9.3 Other Arrangements. Neither the Offeror nor the other Relevant Persons has (i) granted a security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold) or (iii) lent any Relevant Securities to another person.

9.4 Confidentiality. In the interests of confidentiality, save for the Relevant Persons, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with it in connection with the Exit Offer. Similarly, in the interests of confidentiality, Citigroup has also not made any enquiries in respect of its subsidiaries and any other members in its group. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Exit Offer Letter.

10. DISCLOSURE OF VARD DIRECTORS’ INTEREST

As at the Joint Announcement Date, none of the Vard Directors has any direct or deemed interests in any Shares or options that are exercisable in respect of Shares.

11. CONFIRMATION OF FINANCIAL RESOURCES

Citigroup, as financial adviser to the Offeror in connection with the Exit Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Exit Offer Price payable by the Offeror for all the Offer Shares to be acquired by the Offeror pursuant to full acceptances of the Exit Offer.

12. CIRCULAR AND EXIT OFFER LETTER

The Circular, the Exit Offer Letter and the relevant acceptance form(s) will be despatched to the Shareholders in due course. It is expected that the Exit Offer Letter and the relevant acceptance form(s) will be despatched to the Shareholders together with the Circular.

In the meantime, Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Vard Directors as well as the advice of the IFA to be set out in the Circular.

13. RESPONSIBILITY STATEMENTS

13.1 Vard. The Vard Directors (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement which relate to Vard (excluding information relating to the Delisting Proposal, the Exit Offer, the rationale for the Delisting Proposal and the Exit Offer, the Offeror, Fincantieri and/or the Fincantieri Group) are fair and accurate and that, where appropriate, no material facts which relate to Vard have been omitted from this Joint Announcement, and the Vard Directors jointly and severally

accept responsibility accordingly.

Where any information which relates to Vard has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or Fincantieri, the sole responsibility of the Vard Directors has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The Vard Directors do not accept any responsibility for any information relating to the Delisting Proposal, the Exit Offer, the rationale for the Delisting Proposal and the Exit Offer, the Offeror, Fincantieri and/or the Fincantieri Group or any opinion expressed by the Offeror.

- 13.2 Offeror.** The directors of the Offeror (the “**Offeror Directors**”) (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement (excluding information relating to Vard) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Joint Announcement, and the Offeror Directors jointly and severally accept responsibility accordingly.

Where any information which does not relate to Vard has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Offeror Directors has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The Offeror Directors do not accept any responsibility for any information relating to or opinions expressed by Vard.

13 November 2017

By order of the Board of Directors

VARD HOLDINGS LIMITED

By order of the Board of Directors

FINCANTIERI OIL & GAS S.P.A.

SCHEDULE

DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

1. HOLDINGS IN SHARES

- 1.1 Relevant Persons.** As at the Joint Announcement Date, the interests in Shares held by the Relevant Persons are set out below:

Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Fincantieri Oil & Gas S.p.A.	936,225,710	79.34	-	-
Fincantieri S.p.A.	-	-	936,225,710	79.34
Fintecna S.p.A.	-	-	936,225,710	79.34
Cassa Depositi e Prestiti S.p.A.	-	-	936,225,710	79.34

2. DEALINGS IN SHARES

- 2.1 Disclosure of Dealings in Shares during the Reference Period.** The details of dealings by the Relevant Persons in the Shares in the three-month period prior to the Joint Announcement Date are set out below:

Name	Date	No. of Shares Acquired	Transaction Price per Share (S\$)
Fincantieri Oil & Gas S.p.A.	23 October 2017	200	0.24
	13 October 2017	2,400	0.24
	11 October 2017	472,600	0.24
	10 October 2017	31,600	0.24
	9 October 2017	171,700	0.24
	6 October 2017	41,000	0.24
	5 October 2017	126,900	0.24
	4 October 2017	12,500	0.24
	3 October 2017	30,000	0.24
	28 September 2017	7,000	0.24
	26 September 2017	10,000	0.24
	25 September 2017	14,900	0.24
	21 September 2017	33,000	0.24

	20 September 2017	47,900	0.24
	19 September 2017	50,900	0.24
	18 September 2017	655,000	0.24
	15 September 2017	5,094,700	0.24
	14 September 2017	139,500	0.24
	13 September 2017	1,000	0.24
	12 September 2017	283,000	0.24
	8 September 2017	41,100	0.24
	7 September 2017	237,000	0.24
	5 September 2017	247,100	0.24
	29 August 2017	86,000	0.24
	28 August 2017	150,700	0.24
	25 August 2017	43,800	0.24
	24 August 2017	102,700	0.24
	21 August 2017	156,600	0.24
	18 August 2017	369,300	0.24
	17 August 2017	212,000	0.24
	16 August 2017	73,500	0.24
	15 August 2017	232,000	0.24
	14 August 2017	53,000	0.24