OTTO MARINE LIMITED
(Unique Entity Number: 197902647M)
(Incorporated with limited liability in the Republic of Singapore on 5 September 1979)

COMMENCEMENT OF CONSENT SOLICITATION EXERCISE BY OTTO MARINE SERVICES PTE. LTD. (THE "ISSUER") IN CONNECTION WITH THE S$70,000,000 7.00 PER CENT. FIXED RATE NOTES DUE 2016 (ISIN: SG6SC2000001) COMPRISED IN SERIES 002 (THE "SERIES 002 NOTES") ISSUED PURSUANT TO THE S$500,000,000 MULTICURRENCY MEDIUM TERM NOTE PROGRAMME ESTABLISHED ON 13 APRIL 2010, UNCONDITONALLY AND IRREVOCABLY GUARANTEED BY OTTO MARINE LIMITED (THE "COMPANY")

Reference is made to:

(a) the Series 002 Notes;

(b) the trust deed dated 13 April 2010 made between (1) the Issuer, as issuer, (2) the Company, as guarantor, and (3) British and Malayan Trustee Limited, as trustee, as amended and supplemented by the supplemental trust deed dated 29 December 2011 entered into between the same parties, and as further amended and supplemented from time to time (the "**Trust Deed**"); and

(c) the pricing supplement dated 24 July 2014 relating to the Series 002 Notes (the "**Pricing Supplement**").

Capitalised or other terms used but not defined herein shall, unless the context otherwise requires, have the meanings as set out in the consent solicitation statement dated 1 December 2015 (the "**Consent Solicitation Statement**") issued by the Issuer and the Company.

The board of directors of the Company wishes to announce that the Issuer, a wholly-owned subsidiary of the Company, has today commenced a consent solicitation exercise to seek the approval (the "**Consent Solicitation**") of the holders of the Series 002 Notes (the "**Noteholders**") by way of extraordinary resolution to, *inter alia*, only in respect of the Series 002 Notes, amend the financial covenants set out in Conditions 3(b)(i) and (ii) of the Series 002 Notes such that:

(a) the Consolidated Total Equity (as defined in the Pricing Supplement) shall not at any time be less than US$200,000,000 (instead of US$250,000,000 as currently provided); and

(b) the ratio of Consolidated Net Borrowings (as defined in the Pricing Supplement) to Consolidated Total Equity shall not at any time exceed 2.85:1 (instead of 2.5:1 as currently provided),

(collectively, the "**Amendments**").

The Company and its subsidiaries (together, the "**Group**") are a shipping focused offshore marine group, which owns and operates Offshore Support Vessels ("**OSVs**") in the Asia Pacific region. The Group is principally engaged in the business of vessel chartering, shipbuilding, repair and conversion and specialised services, with a focus on sophisticated and environment friendly OSVs. The Group owns and operates a shipyard in Batam and its customers are primarily national oil companies,

international oil companies and offshore service companies operating globally in the oil and gas industry.

The Group's business and operations can be regarded as highly sensitive to global economic conditions, and, in particular, that of the oil and gas sector, as well as to a lesser extent being cyclical and seasonal in nature. Since end-2014, oil prices have been volatile amidst uncertain political developments and socio-economic conditions globally. The offshore marine industry has persistently been beset by downward revisions in both daily charter and utilisation rates. These difficult market conditions are further compounded by the influx of newbuild vessels which causes asset valuations to be challenged.

Given that the aforementioned uncertainties and challenges are expected to persist, the Group believes that it has to be prudent and pre-emptive with regards to its financial management strategies.

Accordingly, the Amendments, among other things, will provide increased operational and financial flexibility and debt headroom in light of softer market conditions facing the global economy and the oil and gas sector, which may persist on a prolonged basis and to allow the Group further access to funding opportunities, if need be. The Group will remain committed to its prudent capital management policy even after the Amendments are effected and will be committed to complying with the amended financial covenants.

DBS Bank Ltd. and Overseas-Chinese Bank Corporation Limited have been appointed as the joint solicitation agents in connection with the Consent Solicitation. For further details on the Consent Solicitation, Noteholders are advised to refer to the notice of meeting published in The Business Times and announced by the Issuer via SGXNET on 1 December 2015.

A copy of the Consent Solicitation Statement will be mailed to the Noteholders with an address in Singapore as reflected in the list of Noteholders maintained by The Central Depository (Pte) Limited. In order to avoid any violation of laws applicable in countries other than Singapore, the Consent Solicitation Statement has not been and will not be mailed to Noteholders who do not presently have an address in Singapore ("**Foreign Noteholders**"). Foreign Noteholders who wish to obtain a copy of the Consent Solicitation Statement should provide in writing such address in Singapore to Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services), as meeting agent in connection with the Consent Solicitation, not later than five (5) days before the Expiration Time (as defined in the Consent Solicitation Statement).

In addition, Noteholders may collect copies of the Consent Solicitation Statement from the office of Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services), at 80 Robinson Road, #11-02, Singapore 068898 from 1 December 2015, between 9.00 a.m. to 6.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 10.30 a.m. (Singapore time) on 14 December 2015.

Shareholders of the Guarantor who are not otherwise Noteholders will not be eligible to attend or vote at the meeting of the Noteholders either in person or proxy.

By Order of the Board
Otto Marine Limited

See Kian Heng
Group Chief Executive Officer & Group Executive Director
1 December 2015

NOTE: this announcement does not constitute an invitation to participate in the Consent Solicitation. No offer or invitation to issue or redeem any securities is being made pursuant to this release. This announcement must be read in conjunction with the Consent Solicitation Statement. This announcement does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Company or any other entity.