

PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)

(the "**Company**")

UPDATE TO BONDHOLDERS

The Company wishes to inform holders of the Company's securities that the attached notice was issued by the Company on 6 December 2016 to the holders of the Company's S\$200 million 8.50% bonds due 2017.

On behalf of the Board

Ng Puay Yee (Jessie)
Executive Chairman

6 December 2016

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

UPDATE TO BONDHOLDERS

PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED
(Incorporated in Bermuda with limited liability)
(the "**Company**")

Relating to the
S\$200 million 8.50% bonds due 2017
issued by the Company

Common Code 109021997
ISIN XS1090219970

The Company wishes to provide an update to the holders of the S\$200,000,000 8.50% bonds due 2017 (the "**Bonds**", and holders of the Bonds, the "**Bondholders**") on the progress of proceedings under Chapter 11 currently before the United States Bankruptcy Court in the Southern District of New York (the "**NY Court**").

It has always been the Company's intention that there be one holistic plan of reorganisation for the restructuring of all levels of the broader group so as to provide the best possible outcome for all creditors and stakeholders. In furtherance of that objective, the NY Court is jointly administering the Company's Chapter 11 filing in conjunction with the other sixteen debtor entities within the group which filed for Chapter 11 protection on 30 June 2016.

On 31 October 2016, the Company's indirect subsidiary, China Fishery Group Limited, announced that the NY Court had decided to appoint a Chapter 11 trustee for CFG Peru Investments Pte. Limited (Singapore). Later, on 10 November 2016, the NY Court approved the appointment of Mr. William J. Brandt, Jr., as trustee for that subsidiary. Since that time, the trustee advised the NY Court, on 28 November 2016, that it is the goal of the trustee to stabilize the business in Peru. Accordingly, the NY Court approved an order providing, among other things, that steps be taken before 1 December 2016 to satisfy the claims of the creditors who had initiated restructuring proceedings in Peru and also to withdraw the Peruvian voluntary restructuring proceedings, and for the trustee:

- To support the continued operations of the Peruvian entities until 30 April 2017, to the extent consistent with his fiduciary duties, and to allow normalization of the Peruvian operations. This period can be extended by mutual agreement.
- To work in good faith to secure adequate funding on commercially reasonable terms for the continued operations in Peru.
- To use his best efforts to promptly secure a standstill by the funded debt creditors to protect the assets of the Peruvian subsidiaries. To the extent that he is not able to achieve the standstill on a consensual basis, and to the extent that the trustee determines it appropriate, he will seek an injunction from the NY Court restraining action against the Chapter 11 debtors.

- To support an extension of the period during which the debtors have the exclusive right to file a restructuring plan until 31 March 2017. This extended period may be further extended by agreement and with the approval of the NY Court.

It is the Company's view that these developments are positive for the prospects for long term recovery by the Bondholders. Once the Peruvian business has normalised, it will have the ability to generate considerable revenue and profit, creating enhanced value for all creditors and other stakeholders of the group, including the Bondholders. The NY Court has accepted that it is a sensible approach not to expend resources on developing a plan at this point but to wait for stabilisation of the business in Peru and, therefore, base the plan on a sound set of financials. Following that, a plan of reorganisation can be developed and submitted to all creditors, including the Bondholders, for approval and ultimately for approval by the NY Court. Then, in accordance with the Chapter 11 process, creditors will recover value in accordance with the plan of reorganisation following the court's approval. Accordingly, any value that may be returned to the Bondholders on account of coupon payments will only take place after this process is finalised.

Management trusts that this helps clarify the current status of the restructuring process of the Company. Bondholders may direct any enquiries regarding this or any other aspect of their bondholding to the Informal Steering Committee's legal advisor, Mr. Suresh Nair and/or Mr. Bryan Tan of Advocatus Law LLP at: pard.isc@advocatus.sg, or contact Mr. Geoff Walsh of the Company at: geoffrey.walsh@pacificandes.com.

In accordance with normal practice, none of the trustee or any of its officers, employees or affiliates expresses any opinion on the information set out in this notice. Bondholders who are unsure of the impact of such information should seek their own independent financial, legal and taxation advice.

Singapore

6 December, 2016