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

COMPANY UPDATE – CLAIM AGAINST CUSTOMER

Otto Marine Limited ("Company") wishes to announce that the Company had through its lawyers, Rajah & Tann Singapore LLP, issued two (2) letters to Robert Knutzen Shipholdings Ltd ("RKSL") and Mr. Robert Knutzen (collectively referred to hereinafter as "Letters of Demand").

Pursuant to bareboat charterparties dated 15 January 2009 entered into between the Company and RKSL (as amended and supplemented from time to time) in respect of two (2) of the Group's vessels, RKSL had taken delivery of and operated the said vessels and was obliged to pay charter hire in respect of the relevant vessels. Mr. Robert Knutzen is the guarantor of the obligations of RKSL under the aforementioned bareboat charterparties. RKSL has been in default of the charters for an aggregate principal outstanding sum of US$2,834,471.56 plus the applicable interest for overdue payment ("Outstanding Sum").

The Company is working closely with the its lawyers to take all necessary actions, including but not limited to, the commencement of legal proceedings against the counterparties to, *inter alia*, enforce the Company's rights under the bareboat charterparties, and safeguard as well as protect the interests and assets of the Group.

The Company has taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate in all material aspects as at the date hereof and that no material facts have been omitted from this announcement. The event is not expected to have a material impact on the financials of the Company for the financial year ending 31 December 2016.

Submitted by

Chong Sieh Jiuan
Chief Financial Officer and Joint Company Secretary

18 July 2016