UPDATE ON USE OF PROCEEDS RAISED FROM ALLOTMENT AND ISSUE OF PLACEMENT AND SUBSCRIPTION SHARES

The Board of Directors (the "**Board**") of Vallianz Holdings Limited (the "**Company**") refers to its previous announcements dated 17 June 2014 and 25 June 2014 in relation to, *inter alia,* the allotment and issue of 230,000,000 placement shares and 170,000,000 subscription shares (the "**Placement and Subscription Shares**") "**Previous Announcements**").

Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings and construction as ascribed to them in the Previous Announcements.

The Board wishes to provide an update on the use of the proceeds of US$41.8 million raised from the Placement and Subscription Shares on 25 June 2014. As of 12 September 2014, the Company has utilised US$14.0 million of net proceed raised from the issue of the Placement and Subscription Shares in the following manner :

- US$11.1 million for acquisition of new vessels
- US$2.9 million for general working capital purposes (including vessels operating expense)

As at 12 September 2014, the balance of net proceed raised from the issue of the Placement and Subscription Shares is US$27.8 million.

The use of proceeds is in accordance with the intended use and percentage allocation as disclosed in the announcement dated 17 June 2014.

By order of the Board

Yeo Chee Neng
Chief Executive Officer
12 September 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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