

VARD HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201012504K)

NOTICE OF TERMINATION OF CONTRACTS

The Board of Directors of Vard Holdings Limited (the "Company") wishes to inform that the Company has been notified that Petrobras Transportes S.A. ("Transpetro") has terminated the contracts for two Liquefied Petroleum Gas (LPG) carriers on order from Vard Promar S.A., a 50.5% owned indirect subsidiary of the Company.

The vessels in question are the last two of a series of eight LPG carriers originally contracted in June 2010, for delivery from Vard Promar between 2014 and 2016. The combined contract value for the series of eight vessels was USD 536 million. Construction of the two vessels is at a very early stage.

The Company is currently reviewing its overall exposure to the Brazilian market, and the termination – if effective – is expected to reduce the Company's overall exposure. At the same time, the Company intends to claim compensation from Transpetro for damages in relation to the terminated contracts.

The impact of the termination is not expected to have a material effect on the earnings per share of the Group for the financial year ending 31 December 2015.

BY ORDER OF THE BOARD

Roy Reite
Executive Director and Chief Executive Officer
14 December 2015