

## **Seaspan moves forward with Swiber Group investment**

- *Definitive agreement with Seaspan is a major milestone in Swiber's restructuring*

**Singapore, 30 March 2019** – Swiber Holdings Limited (“Swiber”) took a significant step forward in its restructuring with the signing of an investment agreement on 29 March 2019 with Seaspan Corporation (“Seaspan”) in relation to a proposed investment by Seaspan of up to US\$200 million. The latest move marks a major milestone in efforts to get the SGX-listed marine engineering group back on its feet after over two years in judicial management.

In their respective announcements in Singapore and New York, Swiber and Seaspan said that, in executing the investment agreement, they have modified certain terms previously announced in October 2018 when the parties signed a term sheet.

The two investment tranches previously announced have been revised as follows: (i) an initial tranche of US\$10 million (previously US\$20 million) upon closing in exchange for an 80% shareholding interest in a new holding company to be incorporated into which certain assets of the existing Swiber Group will be transferred (“New Swiber”) (“Initial Investment”), and (ii) upon securing the development stage LNG-to-power project in Vietnam and achieving major project milestones, a subsequent tranche of US\$190 million (previously US\$180 million) will be used to subscribe for preference shares in Equatoriale Energy Pte Ltd, a wholly-owned subsidiary of Swiber (“Equatoriale Energy”), which will also form part of the New Swiber group.

The proposed investment by Seaspan is subject to several conditions, including securing the necessary approvals from creditors, regulators and shareholders. In connection with the Initial Investment, it is proposed that the listing status of Swiber will, subject to the necessary approvals, be transferred to New Swiber.

Swiber Holdings Limited  
(Judicial Managers Appointed)  
Co Reg No. 200414721N

12 International Business Park, Swiber@IBP #01-05 Singapore 609920  
Tel: +65 6505 0800 Fax: +65 6505 0802  
[www.swiber.com](http://www.swiber.com)

If a restructuring is successful, certain secured creditors of Swiber will be issued 5-year zero coupon secured redeemable convertible bonds amounting to US\$120 million in New Swiber. This will allow New Swiber and the restructured New Swiber group to continue to operate the Swiber Group's key assets, which include certain specialised construction vessels and its headquarters building at 12 International Business Park, Singapore, which are currently secured to such secured creditors.

In connection with the restructuring, it is proposed that (i) the unsecured creditors of Swiber, (ii) the existing shareholders of Swiber and (iii) certain management and professionals involved in the judicial management of Swiber will receive new shares in New Swiber, which will constitute 14%, 3% and 3% shareholding interest respectively in New Swiber immediately following completion of the Initial Investment.

The secured creditors who will be issued the bonds will, upon conversion of such bonds, be entitled to such number of new shares in New Swiber which will constitute 10% of the enlarged total issued shares of New Swiber, and on a fully diluted basis, Seaspan's shareholding interest in New Swiber will be reduced to 72.0%, and the shareholding interests of (i) the unsecured creditors of Swiber, (ii) the existing shareholders of Swiber and (iii) certain management and professionals involved in the judicial management of Swiber will be reduced to 12.6%, 2.7% and 2.7% respectively.

As part of the deal, Seaspan will, subject to certain conditions, be granted a call option to acquire all the shares of Equatoriale Energy, which option will be exercisable if the Initial Investment does not complete due to, amongst others, the conditions for the Initial Investment not being fulfilled by the prescribed long stop date.

Judicial Manager Bob Yap, who is also Head of Restructuring at KPMG in Singapore, said, "This is an important milestone in the complex exercise to get Swiber on the road to recovery. We are particularly delighted to work with a company of Seaspan's reputation and the confidence it has placed in Swiber going forward.

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There's still more work to be done and we believe this investment by Seaspan will result in a better recovery to all stakeholders compared to winding-up.”

The judicial managers previously announced on 26 November 2018 that the Singapore High Court had granted an extension of time for a creditors' meeting to be held by 31 May 2019.

Seaspan is a Marshall Islands corporation listed on the New York Stock Exchange, and is a leading independent charter owner and operator of containerships with industry leading ship management services. Seaspan charters their vessels primarily pursuant to long-term, fixed-rate, time charters to the world's largest container shipping liners. Seaspan's operating fleet consists of 112 containerships with a total capacity of more than 900,000 TEU, an average age of approximately 6 years and an average remaining lease period of approximately 4 years, on a TEU-weighted basis. The Chairman of Seaspan, Mr. David Sokol, has extensive experience in the power industry.

– The End –

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## **Media Contacts**

### **Catherine Ong Associates**

#### **Catherine Ong**

| phone (65) 6327 6088

| mobile (65) 9697 0007 | email: [cath@catherineong.com](mailto:cath@catherineong.com)

#### **Farhan Zohri**

| phone (65) 6327 6089

| mobile (65) 8318 9665 | email: [farhan@catherineong.com](mailto:farhan@catherineong.com)