PACC OFFSHORE SERVICES HOLDINGS LTD. [1]
(Incorporated in the Republic of Singapore)
(Company Registration No. 200603185Z)

UPDATE ON A MEXICAN JOINT VENTURE

The Company refers to its prospectus dated 17 April 2014 registered with the Monetary Authority of Singapore (the "Prospectus") and wishes to provide an update on one of its Mexican joint ventures.

As stated in the Prospectus, one of the Company's joint ventures, Servicios Marítimos Gosh, S.A.P.I. de C.V. ("GOSH") has chartered six vessels to Oceanogafia, S.A. de C.V. ("OSA"), which are in turn, chartered by OSA to PEMEX, the Mexican state-owned petroleum company. Since February 28, 2014, the administration of OSA had been placed under the control of the Mexican State Administrator ("SAE") in connection with the Mexican government's investigations of OSA over alleged fraud arising from billings charged by OSA to PEMEX.

Under an irrevocable trust arrangement entered into between OSA and PEMEX on 8 August 2013, PEMEX will pay all charter hire invoiced by OSA into an irrevocable trust ("GOSH Trust") for the benefit of GOSH and the Company. Since the establishment of the GOSH Trust, charter hire payments from PEMEX have been made to the GOSH Trust.

The Company has recently been informed that SAE has obtained a court order ("Order") for PEMEX to stop paying charter hire on vessels chartered from OSA to all trusts including the GOSH Trust and instead to make such payments directly to SAE. Since then GOSH, through its trustee, has filed an injunction in the Mexican Courts to nullify the Order. A hearing on the matter is to be held on 28 May 2014. In addition, GOSH has also met with SAE in order to find a resolution to the matter. In the meantime, GOSH has stopped work on the vessels chartered to OSA.

The Company will be making an additional provision for our share of the receivables in GOSH which may be affected by the Order, amounting to approximately US$4.6 million, in the Group's 1st quarter FY2014 results.

By Order of the Board

21 May 2014

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[1] *The initial public offering of the Company was sponsored by DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd. and Oversea-Chinese Banking Corporation Limited (together, the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this Announcement.*