VIKING OFFSHORE AND MARINE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199307300M)

PROPOSED PURCHASE AND LEASE-BACK OF A LAND DRILL RIG

The Board of Directors (the "**Board**") of Viking Offshore and Marine Limited (the "**Company**") wishes to announce that Viking Asset Management Pte Ltd (the "**Purchaser**"), a wholly-owned subsidiary of the Company, has entered into a legally binding heads of agreement dated 14 July 2014 (the "**HOA**") with a land rig builder based in China (the "**Vendor**") for the proposed purchase and lease-back of a new-build 1,500 horsepower train-type land rig and related drilling equipment (the "**Rig**").

Pursuant to the HOA:

(a) the Vendor shall sell, and the Purchaser or its wholly-owned subsidiary (the "**Purchaser SPV**") shall purchase, the Rig (the "**Acquisition**"); and

(b) the Purchaser or the Purchaser SPV shall lease the Rig to the Vendor on a bareboat charter basis for a term of 50 months on and from 1 September 2014 (the "**Bareboat Charter**").

The value of the Bareboat Charter (which includes a put option granted by the Vendor to require the Vendor to purchase the Rig at the end of the 50-month term of the Bareboat Charter (the "**Put Option**")) is approximately US$32 million.

The Company understands that the Vendor shall sub-lease the Rig to a major South-Asian energy operator (but the Purchaser or the Purchaser SPV will not be a party to such sub-lease).

The parties shall negotiate in good faith and enter into a definitive sale and purchase agreement and a definitive bareboat charter contract (the "**Definitive Agreements**") for the Acquisition and the Bareboat Charter (including the Put Option), on or prior to the date falling 60 days from the date of the HOA (or such other date as may be agreed by the parties), failing which the HOA shall cease and determine (save for certain provisions relating to, *inter alia*, confidentiality, governing law and dispute resolution). The Definitive Agreements shall contain the provisions in the HOA (where relevant) and such other additional terms and conditions as the parties may agree.

The transactions are expected to have a positive effect on the earnings per share of the Company for the financial year ending 31 December 2014 ("**FY2014**"), but are not expected to have any material effect on the net tangible assets of the Company for FY2014.

BY ORDER OF THE BOARD

Ong Choo Guan
Executive Director and Chief Executive Officer

15 July 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore branch (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

The 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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