

CH OFFSHORE LTD.
(UEN No. 197600666D)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX-ST QUERY ON THE BUSINESS TIMES ARTICLE DATED 21 APRIL 2020 & BUSINESS UPDATE ON COVID-19 PANDEMIC

The Board of Directors (the “**Directors**”) of CH Offshore Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) has received the following query from SGX-ST on 23 April 2020 in relation to The Business Times article dated 21 April 2020 as referred to in the said query.

SGX-ST QUERY

We refer to The Business Times article on 21 April 2020 titled, “Oil price crashes into negative territory for the first time in history amid pandemic”, available here:- <https://www.businesstimes.com.sg/energy-commodities/oil-price-crashes-into-negative-territory-for-the-first-time-in-history-amid> (the “**Article**”).

Please advise whether the Company is impacted materially by the oil price movement, especially into negative territory as reported in the Article. If yes, please be reminded that all material information must be announced via SGXNET pursuant to Listing Rule 703, and consider whether a trading halt is necessary pending the announcement.

COMPANY’S RESPONSE

On 3 April 2020, the Government of Singapore implemented a number of Circuit Breaker Measures (the “**Measures**”) on 3 April 2020 to address the trend of increasing local transmission of COVID-19. These heightened safe distancing measures were to be in place from 7 April 2020 to 4 May 2020 (the “**Circuit Breaker Period**”). During the Circuit Breaker Period, non-essential services which cannot be conducted through telecommuting from home are to be suspended. Essential services and their related supply chains are exempted from the suspension but will still need to operate with minimum staff on their premises and implement strict safe distancing measures.

The companies within the Group were considered essential services and so we have been able to continue operating from our premises albeit with additional safe distancing measures imposed in accordance with the directives from the Government of Singapore issued from time to time. On 21 April 2020, the Government of Singapore took a further step and announced an extension of the Circuit Breaker Period from 4 May 2020 to 1 June 2020 (inclusive). Similar lock down periods or movement control periods in other countries along with strict border controls and significant reduction in flights have impacted our operations mainly from the perspective of crew changes, the logistics of obtaining provisions, spares and repairs as well as conducting inspections. Where possible, some of these difficulties have been overcome by sourcing items and labour locally depending on where our vessels are operating and also moved online where possible. The Group manages its vessels within the COVID-19 rules and restrictions set by the various countries where our vessels are operating. Policies and procedures have been put in place to minimise, if not avoid, the spread of COVID-19 onboard our vessels.

The Maritime and Port Authority of Singapore, together with the various flag states, have provided support and guidance during this period and we are working closely hand in hand with clients and charterers to resolve issues which might arise thus allowing us to fulfil our contractual obligations.

As a result of the recent fall in oil prices to historic lows and the ongoing uncertainty in the global oil and gas industry, the Group anticipates fewer market enquiries, requests for realignment of existing charters and shorter charter periods with the result that chartering income will be negatively impacted. This will therefore weigh on the Group's financials for the financial year ending 31 December 2020, especially if the low oil prices persist. However, at this stage the Group is unable to determine the extent of the financial impact of the fall in oil prices, coupled with the COVID-19 pandemic. The support measures as announced by the Government of Singapore in the Unity, Resilience and Solidarity Budgets have and continue to provide valuable support to the Group. We intend to avail ourselves of some of the funding options within the Budgets for small, medium enterprises as well as potentially seek other sources of funding.

The Group will continue to monitor the situation closely and maintain communication with all stakeholders including customers, vendors, creditors and shareholders and will provide further updates on any material developments as soon as practicable.

By Order of the Board
Lim Mee Fun
Company Secretary
23 April 2020