

ENTRY INTO SETTLEMENT AGREEMENTS PURSUANT TO THE DEBT RESTRUCTURING

*Unless otherwise specified, all capitalised terms used herein shall have the meanings ascribed to them in the announcement dated 10 July 2019 (the “**Subscription Announcement**”).*

*For the purposes of this announcement, “**Settlement Amount**” shall mean the monies payable by the Company to the Bond A Bondholders, Bond B Bondholders, Mr Tan Fuh Gih, Mr John Grønbech, Mr Lim How Teck, Mr Teo Lek Hong, Mr Tay Kee Liat and the Other Creditors pursuant to the Bond A Settlement Agreements, KSH Bond B Settlement Agreement, JG Bond B Settlement Agreement, LHT Bond B Settlement Agreement, Other Bond B Settlement Agreements, TFG Creditors Settlement Agreement, JG Creditors Settlement Agreement, LHT Creditors Settlement Agreement, TLH Creditors Settlement Agreement, TKL Creditors Settlement Agreement and Other Creditors Settlement Agreements.*

1. INTRODUCTION

1.1 The board of directors (the “**Board**” or “**Directors**”) of NauticAWT Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Subscription Announcement and wishes to announce that the Company had, on 24 September 2019, entered into settlement and release agreements with the following parties pursuant to the Debt Restructuring:

- (a) Galway Petroleum Pte Ltd, The Kirk Family Trust and The Mills Family Trust (the “**Bond A Bondholders**”) (the “**Bond A Settlement Agreements**”);
- (b) Kim Seng Holdings Pte Ltd (“**KSH**”) (the “**KSH Bond B Settlement Agreement**”);
- (c) John Grønbech (the “**JG Bond B Settlement Agreement**” and the “**JG Creditors Settlement Agreement**”);
- (d) Lim How Teck (the “**LHT Bond B Settlement Agreement**” and the “**LHT Creditors Settlement Agreement**”);
- (e) John Ure, David Jonathan Kirk, Airserve Marine Travel Pte Ltd, Kevin Raymond Lay, Lo Ming Hoi David and William Henry Lee Darlison (the “**Other Bond B Bondholders**”) (the “**Other Bond B Settlement Agreements**”);
- (f) Tan Fuh Gih (the “**TFG Creditors Settlement Agreement**”);
- (g) Mr Teo Lek Hong (the “**TLH Creditors Settlement Agreement**”);
- (h) Mr Tay Kee Liat (the “**TKL Creditors Settlement Agreement**”); and

- (i) Various creditors listed in section 5.2 below (the “**Other Creditors**”) (the “**Other Creditors Settlement Agreements**”).

2. BOND A

- 2.1 As announced by the Company on 7 August 2018, the Company had on the same day, entered into Convertible Loan Agreements with the Bond A Bondholders.
- 2.2 As announced by the Company on 18 September 2018, the convertible loan of the following principal amounts had been drawn down on 17 September 2018:

Name	Amount (US\$)
Galway Petroleum Pte Ltd	400,000
The Kirk Family Trust	750,000
The Mills Family Trust	400,000
Total	1,550,000

- 2.3 As announced by the Company on 31 January 2019, additional convertible loan of the principal amount of US\$400,000 had been drawn down from Galway Petroleum Pte Ltd.
- 2.4 Pursuant to Bond A, the loans are convertible at the option of the Bond A Bondholders, at any time after the drawdown on 17 September 2018 up to 5:00 p.m. (Singapore time) on the maturity date falling 3 years from the drawdown on 17 September 2018. Pursuant to Bond A, subject to any adjustments under Bond A, the conversion price was fixed at US\$0.02675.

3. BOND B

- 3.1 As announced by the Company on 20 March 2017 and 29 May 2017, the Company had, entered into Convertible Notes Agreements with KSH on 17 March 2017 and with Mr Lim How Teck, an Independent Director of the Company, and Mr John Grønbech, an Executive Director and CEO of the Company on 29 May 2017. The subscription and issue of the convertible notes was approved by shareholders of the Company (“**Shareholders**”) in an extraordinary general meeting on 15 June 2017.
- 3.2 As announced by the Company on 23 June 2017, the Company had on the same day, entered into Convertible Notes Agreements with John Ure, David Jonathan Kirk, Airserve Marine Travel Pte Ltd, Kevin Raymond Lay, Lo Ming Hoi David and William Henry Lee Darlison.
- 3.3 As announced by the Company on 17 October 2017, Bond B was completed on the same day with the issue of the notes of the following principal amounts:

Name	Amount (US\$)
KSH	500,000
John Grønbech	50,000
Lim How Teck	125,000
John Ure	30,000
David Jonathan Kirk	50,000
Airserve Marine Travel Pte Ltd	150,000
Kevin Raymond Lay	35,000
Lo Ming Hoi David	30,000
William Henry Lee Darlison	30,000
Total	1,000,000

- 3.4 Pursuant to Bond B, the notes are convertible at the option of KSH, Mr John Grønbech, Mr Lim How Teck and the Other Bond B Bondholders (“**Bond B Bondholders**”), at any time after the second anniversary of the completion date on 17 October 2017 up to 14 business

days after the maturity date falling 3 years from the completion date on 17 October 2017. Pursuant to Bond B, the conversion price was fixed at S\$0.15.

4. SETTLEMENT OF BOND A AND BOND B

- 4.1 Pursuant to the the Bond A Settlement Agreements, KSH Bond B Settlement Agreement, JG Bond B Settlement Agreement, LHT Bond B Settlement Agreement and Other Bond B Settlement Agreements, the Company shall issue the following number of Settlement Shares to the Bond A Bondholders and Bond B Bondholders in full and final settlement of the relevant Settlement Amount due to the Bond A Bondholders and Bond B Bondholders pursuant to Bond A and Bond B respectively:

Bond A

Name of Bondholder	Principal Amount	Interest payable	Relevant Settlement Amount and Relevant Settlement Amount capitalised	Number of Settlement Shares to be issued
	(US\$)	(US\$)	(US\$)	
Galway Petroleum Pte Ltd	800,000	101,874	901,874	33,714,916
The Kirk Family Trust	750,000	85,562	835,562	31,235,947
The Mills Family Trust	400,000	45,633	445,633	16,659,172
Total	1,950,000	233,069	2,183,069	81,610,035

Bond B

Name of Bondholder	Principal Amount	Interest payable	Relevant Settlement Amount and Relevant Settlement Amount capitalised	Number of Settlement Shares to be issued
	(US\$)	(US\$)	(US\$)	
KSH	500,000	68,562	568,562	21,254,641
John Grønbech	50,000	6,856	56,856	2,125,463
Lim How Teck	125,000	17,140	142,140	5,313,660
John Ure	30,000	4,114	34,114	1,275,278
David Jonathan Kirk	50,000	6,856	56,856	2,125,463
Airserve Marine Travel Pte Ltd	150,000	20,568	170,568	6,376,392
Kevin Raymond Lay	35,000	4,799	39,799	1,487,825
Lo Ming Hoi David	30,000	4,114	34,114	1,275,278
William Henry Lee Darlison	30,000	4,114	34,114	1,275,278
Total	1,000,000	137,123	1,137,123	42,509,278

Thereafter Bond A and Bond B shall be extinguished and terminated.

- 4.2 Pursuant to the Bond A Settlement Agreements, KSH Bond B Settlement Agreement, JG Bond B Settlement Agreement, LHT Bond B Settlement Agreement and Other Bond B Settlement Agreements, the relevant Settlement Shares shall be allotted, issued and distributed by 31 December 2019. The settlement therein is conditional upon the obtaining of all necessary approvals required by any applicable law, regulation, rules or the like in Singapore. If such approval is not obtained by 31 December 2019, the parties shall engage in good faith discussions on how the relevant Settlement Amount is to be dealt with for a period

of at least 3 months from by 31 December 2019. During this period, the Bond A Bondholders and Bond B Bondholders shall not commence any claims against the Company in respect of any part of the Settlement Amount. Upon the issuance of Settlement Shares, the Bond A Bondholders and Bond B Bondholders will release and forever discharge the Company from all claims and liabilities.

- 4.3 Further Bond A Settlement Agreements and the Other Bond B Settlement Agreements are conditional upon the completion of the Proposed Subscription.
- 4.4 The Settlement Shares will be issued at a price of US\$0.02675 (S\$0.03667) per Settlement Share. Accordingly there is no change in the conversion price for Bond A but the conversion price for Bond B would change from S\$0.15 to US\$0.02675 (S\$0.03667) effectively. The price of US\$0.02675 (S\$0.03667) represents a premium of approximately 144.5% to the volume-weighted average price of S\$0.0150 per Share, based on the trades done on the SGX-ST on 19 September 2019, being the last full market day which the Shares were traded immediately preceding the date and up to the time the Bond A Settlement Agreements, KSH Bond B Settlement Agreement, JG Bond B Settlement Agreement, LHT Bond B Settlement Agreement and Other Bond B Settlement Agreements were signed. The issue price of the Settlement Shares was commercially agreed between the Company, the Bond A Bondholders and Bond B Bondholders, after arm's length negotiations and taking into account the conversion price under Bond A.
- 4.5 In accordance to Rule 829(3) of the Catalist Rules, any material alteration to the terms of the convertible securities after issue to the advantage of the holders of such securities is to be approved by shareholders. Accordingly, the Bond A Settlement Agreements, KSH Bond B Settlement Agreement, JG Bond B Settlement Agreement, LHT Bond B Settlement Agreement and Other Bond B Settlement Agreements and the issue of the Settlement Shares provided therein are conditional upon the approval of Shareholders.

5. SETTLEMENT SHARES TO MR TAN FUH GIH, MR JOHN GRØNBECH, MR LIM HOW TECK, MR TEO LEK HONG, MR TAY KEE LIAT AND OTHER CREDITORS

- 5.1 Pursuant to the TFG Creditor Settlement Agreement, JG Creditor Settlement Agreement, LHT Creditor Settlement Agreement, TLH Creditors Settlement Agreement and TKL Creditors Settlement Agreement, the Company shall issue following number of Settlement Shares in full and final settlement of the relevant Settlement Amount due to Mr Tan Fuh Gih, Mr John Grønbech, Mr Lim How Teck, Mr Teo Lek Hong and Mr Tay Kee Liat:

Name of Creditor	Relevant Settlement Amount (US\$)	Relevant Settlement Amount payable in cash (US\$)	Relevant Settlement Amount capitalised (US\$)	Number of Settlement Shares to be issued
Tan Fuh Gih	59,624	-	59,624	2,228,951
John Grønbech	659,280	282,273	377,006	14,093,699
Lim How Teck	424,773	250,344	174,429	6,520,719
Teo Lek Hong	70,834	41,747	29,087	1,087,373
Tay Kee Liat	68,373	40,296	28,077	1,049,592
Total	1,282,884	614,660	668,223	24,980,334

- 5.2 Pursuant to the Other Creditors Settlement Agreements, the Company shall *inter-alia*, issue the following number of Settlement Shares in full and final settlement of the relevant Settlement Amount due to the Other Creditors:

Name of Creditor	Relevant Settlement Amount	Relevant Settlement Amount	Relevant Settlement Amount	Number of Settlement Shares to be
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	(US\$)	payable in cash (US\$)	capitalised (US\$)	issued
Yak Thian Huat	115,982	-	115,982	4,335,785
Riza Maria Clout	35,342	-	35,342	1,321,198
Hindmarsh Farrow Pty Ltd	16,498	-	16,498	616,733
SAC Capital Private Limited	312,634	187,580	125,054	4,674,897
Meta Fusion Pte Ltd	13,771	8,263	5,509	205,929
Tim Green	93,085	74,468	18,617	695,966
John Ure	60,021	35,374	24,647	921,394
Julien Jean Bernard Frachisse	31,784	19,071	12,714	475,278
Kane Michael Rawsthorn	71,751	42,287	29,464	1,101,448
Klaus Haugsted	30,349	17,886	12,462	465,887
Kevin Raymond Lay	268,645	158,328	110,317	4,123,987
Louren David Woof	285,807	168,443	117,364	4,387,448
Elo Yde	277,464	163,526	113,938	4,259,367
Chu Voon Thart	86,926	51,231	35,695	1,334,405
Chong Siu Peng	154,682	91,163	63,519	2,374,531
Ajai Mitter	68,015	40,085	27,930	1,044,105
Total	1,922,756	1,057,705	865,052	32,338,358

Upon the issuance of Settlement Shares, Mr Tan Fuh Gih, Mr John Grønbech, Mr Lim How Teck, Mr Teo Lek Hong and Mr Tay Kee Liat and the Other Creditors will release and forever discharge the Company from all claims and liabilities.

The cash portion of the Settlement Amount shall be transferred to our wholly owned subsidiary, Nautech Group Pte Ltd (“**Nautech**”), and shall be payable in accordance with a payment instalment plan. Upon the payment of the cash portion of the Settlement Amount, Mr John Grønbech, Mr Lim How Teck, Mr Teo Lek Hong and Mr Tay Kee Liat and the relevant Other Creditors will release and forever discharge Nautech from all claims and/or liabilities.

- 5.3 Pursuant to the TFG Creditor Settlement Agreement, JG Creditor Settlement Agreement, LHT Creditor Settlement Agreement, TLH Creditors Settlement Agreement, TKL Creditors Settlement Agreement and the Other Creditors Settlement Agreements, the relevant Settlement Shares shall be allotted, issued and distributed by 31 December 2019. The settlement therein is conditional upon the obtaining of all necessary approvals required by any applicable law, regulation, rules or the like in Singapore. If such approval is not obtained by 31 December 2019, the parties shall engage in good faith discussions on how the relevant Settlement Amount is to be dealt with for a period of at least 3 months from by 31 December 2019. During this period, Mr Tan Fuh Gih, Mr John Grønbech, Mr Lim How Teck, Mr Teo Lek Hong and Mr Tay Kee Liat and the Other Creditors shall not commence any claims against the Company in respect of any part of the Settlement Amount.
- 5.4 Further the Other Creditors Settlement Agreements is conditional upon the completion of the Proposed Subscription.
- 5.5 The Settlement Shares will be issued at a price of US\$0.02675 (S\$0.03667) per Settlement Share. The price of US\$0.02675 (S\$0.03667) represents a premium of approximately 144.5% to the volume-weighted average price of S\$0.0150 per Share, based on the trades done on the SGX-ST on 19 September 2019, being the last full market day which the Shares were traded immediately preceding the date and up to the time the TFG Creditors Settlement Agreement, JG Creditors Settlement Agreement, LHT Creditors Settlement Agreement, TLH Creditors Settlement Agreement, TKL Creditors Settlement Agreement and the Other Creditors Settlement Agreements were signed. The issue price of the Settlement Shares was commercially agreed between the Company, Mr Tan Fuh Gih, Mr John Grønbech, Mr Lim

How Teck, Mr Teo Lek Hong, Mr Tay Kee Liat and the Other Creditors, after arm's length negotiations and taking into account the conversion price under Bond A.

6. ISSUE OF SETTLEMENT SHARES TO KSH, MR JOHN GRØNBECH, MR LIM HOW TECK, MR TAN FUH GIH, MR TEO LEK HONG AND MR TAY KEE LIAT

6.1 Rule 812 of the Catalist Rules provide as follows:

- (1) An issue must not be placed to any of the following persons: (a) the issuer's directors and substantial shareholders; (b) immediate family members of the directors and substantial shareholders; (c) substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders; (d) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%; or (e) any person who, in the opinion of the SGX-ST, falls within category (a) to (d).
- (2) Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.

6.2 As at the date of this announcement, KSH holds 25.32% of the issued and paid-up capital of the Company and is there a substantial shareholder of the Company. Mr Tan Fuh Gih owns 22% of the total shareholding in KSH and as such is deemed interested in the Shares owned by KSH. He also holds 0.40% of the total shareholding in the Company directly. Accordingly Mr Tan Fuh Gih is a Substantial Shareholder of the Company. Mr Lim How Teck, Mr John Grønbech, Mr Teo Lek Hong and Mr Tay Kee Liat are Directors of the Company.

6.3 In accordance with Rule 812(2) of the Catalist Rules, specific approval from Shareholders is required for the issue of the Settlement Shares to KSH, Mr John Grønbech and Mr Lim How Teck pursuant to the KSH Bond B Settlement Agreement, JG Bond B Settlement Agreement, LHT Bond B Settlement Agreement respectively. The issue of Shares pursuant to Bond B to KSH, Mr John Grønbech and Mr Lim How Teck was previously approved by Shareholders in an extraordinary general meeting on 15 June 2017.

6.4 In accordance with Rule 812(2) of the Catalist Rules, specific approval from Shareholders is required for the issue of the Settlement Shares to Mr Tan Fuh Gih, Mr John Grønbech, Mr Lim How Teck, Mr Teo Lek Hong and Mr Tay Kee Liat pursuant to the TFG Creditor Settlement Agreement, JG Creditor Settlement Agreement, LHT Creditor Settlement Agreement, TLH Creditors Settlement Agreement and TKL Creditors Settlement Agreement respectively.

7. OTHER SETTLEMENT SHARES

7.1 The Settlement Shares to be issued to the Bond A Bondholders, the Bond B Bondholders, Mr Tan Fuh Gih, Mr John Grønbech, Mr Lim How Teck, Mr Teo Lek Hong, Mr Tay Kee Liat and the Other creditors as described in Sections 2 – 6 above amounts to a total of 181,438,005 Settlement Shares.

7.2 The balance number of 414,516 Settlement Shares from the total of 181,852,521 Settlement Shares allowed under the Subscription Agreement, would be issued to Independent Directors Mr Teo Lek Hong and Mr Tay Kee Liat which was previously approved by Shareholders in an extraordinary general meeting on 15 June 2017. As such no further approval is required for the issue of the balance number of 414,516 Settlement Shares. More information can be found in the Company's circular dated 31 May 2017.

8. RATIONALE FOR THE ISSUANCE OF SETTLEMENT SHARES FOR THE DEBT RESTRUCTURING

- 8.1 Pursuant to the Subscription Agreement, the Company undertakes that it shall, as soon as practicable, commence the Debt Restructuring to, inter-alia, take other further steps to reduce the liabilities of the Company (whether actual or contingent) to not more than S\$500,000.
- 8.2 Pursuant to the Subscription Agreement, it is a condition precedent to Completion of the Proposed Subscription that is, at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties.
- 8.3 Amongst others, the Company has warranted to and undertaken with the Subscriber under the Subscription Agreement that upon the completion of the Debt Restructuring and at Completion, the liabilities of the Company (whether actual and contingent), shall not exceed S\$500,000.
- 8.4 The issuance of Settlement Shares as a partial capitalisation of the liabilities of the Company, including the full settlement of liabilities under Bond A and Bond B, and partial capitalisation of the liabilities to some creditors of the Company, drastically reduces the cash outlay required by the Company to complete the Debt Restructuring.

9. EXTRAORDINARY GENERAL MEETING

- 9.1 The Company will be seeking approval of Shareholders for the issue of the Settlement Shares at an extraordinary general meeting to be convened. A circular containing, *inter alia*, details of the transactions contemplated under the Subscription Agreement, including without limitation, the issue and allotment of the Subscription Shares and the Settlement Shares, and for the Whitewash Resolution, together with the notice of extraordinary general meeting, will be despatched to Shareholders in due course.

10. GENERAL

- 10.1 Save as disclosed above, none of the Settlement Shares will be placed with any person or groups of persons as set out under Rule 812 of the Catalist Rules.
- 10.2 Save as disclosed above, none of the Subscription Shares will be placed with the Directors or substantial shareholders or any of their respective associates and related parties.
- 10.3 Save as disclosed in this announcement, none of the Directors have any interest, direct or indirect, in the transaction contemplated under the Subscription Agreement. Save as disclosed in this announcement, the Directors are not aware of any substantial shareholder having any interest, direct or indirect, in such transactions and have not received any notification of any interest in this transaction from any substantial shareholder.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their shares. The transactions contemplated under the Subscription Agreement are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Subscription Agreement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

John Grønbech
Executive Director and CEO
24 September 2019

*This announcement has been prepared by NauticAWT Limited (the "**Company**") and its contents have been reviewed by the Company's Sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

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