



Swissco diversifies business model to move much higher in the value chain as it ventures towards oil rigs

- **Formed a SPV with 46.5% stake to enter into EPC contracts for oil rigs**
- **SPV will enter into an EPC contract with Jiangsu Rongsheng Heavy Industries and Rongsheng Offshore & Marine for construction of one rig with an option for one more**
- **Group's initial US\$8.2 million investment outlay is funded by a loan convertible into Swissco shares, which are redeemable at the Company's option, therefore allowing the Group to preserve cash for its fleet expansion**

SINGAPORE – 25 March 2013 – Mainboard-listed **Swissco Holdings Limited** (“Swissco” or the “Group”), a leading marine service provider for the shipping and offshore Oil and Gas industries, is delighted to announce that its wholly owned subsidiary, Seawell Drilling Pte Ltd has entered into a subscription and shareholders’ agreement with Golden Arch Worldwide Offshore Ltd (“Golden Arch”) and Pulau Investments Limited (“Pulau”) to subscribe for shares in Rockwood Asset Holdings Limited (“Rockwood”), a company incorporated in the British Virgin Islands.

Rockwood is formed as a special purpose vehicle (“SPV”) predominantly to enter into engineering, procurement and construction (“EPC”) contracts for oil rigs. In this respect, Rockwood will enter into an EPC contract with Jiangsu Rongsheng Heavy Industries Co Ltd and Rongsheng Offshore & Marine Pte Ltd for the construction of an oil rig, with an option to construct a second oil rig.

This represents a concrete step towards the Group’s efforts to move up the value chain, as the Group’s presence has traditionally been centred on offshore support vessels. Apart from gaining expertise in the area of oil rig EPC contracts, the Group will also be able to significantly improve the profile of its fleet available for charter.

The Group will hold 46.5% in Rockwood, which will have a paid up capital of US\$18.33 million which was arrived at after taking into account the requirements for the SPV’s working

capital as well as the initial payments of the first rig under the EPC contract. Golden Arch will hold 45.3% while Pulau will hold 8.2%. The Group will fund its portion of the investment in Rockwood amounting to US\$8.2 million through a loan from Golden Arch. Payable upon delivery of the first oil rig, the loan shall be repaid through the issuance of 35,566,020 Swissco shares, based on an issue price of S\$0.2835 per share. This represents a 10% premium to the weighted average price of S\$0.2577 on 22 March 2013. The conversion shares are equivalent to 8.22% of the existing shares of the Group, and 7.59% of the enlarged issued share capital of the Group. Depending on Swissco's funding requirement, the Group may also at any point in time opt to repay the loan, together with an interest rate of 8.0% per annum calculated from the drawdown date to the repayment date.

***“This venture marks a significant milestone in the Group’s corporate history as it embodies the progression of Swissco as an offshore support vessel focused player into the higher value, more sophisticated spectrum of the offshore oil and gas sector. Oil prices are remaining relatively high and that should ensure healthy amount of exploration activities and we are happy to be moving into the lucrative and niche oil rigs sector. This venture is a seed for future growth, and the Group is privileged to collaborate with a highly reputable yard in China such as Rongsheng.*”**

Our share of the initial investment will be through a loan that will be converted into shares at a later stage, so there is no capital outlay for us and this helps us to preserve our cash for our own fleet expansion.”

Mr. Robert Chua, Executive Chairman of Swissco

The Group has 12 vessels under construction for the ship chartering segment, 8 of which will join in FY2013, and 4 in FY2014.

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ABOUT SWISSCO HOLDINGS LIMITED (Bloomberg Ticker: SWCH SP)

Transferred to the SGX Mainboard since 9 January 2013, Swissco Holdings Limited (“Swissco”) is a leading marine service provider for the shipping and offshore Oil and Gas industries.

Swissco owns and operates a young fleet of offshore support vessels, tugs, barges and OPL (Out-Port-Limit) boats. With vessels deployed from Indonesia, Malaysia, and Vietnam to the Middle East, the Group has earned a reputation for providing one of the most comprehensive marine and shipping solutions in a prompt, reliable and efficient manner. The Group enjoys the patronage of a large customer base across a wide spectrum of industries – from shipping to oil and gas and other marine infrastructure industries.

For more information please visit the website at: <http://swissco.net>

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