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**SWISSCO ENTERS OFFSHORE RIG CHARTERING
BUSINESS THROUGH S\$285.0 MILLION ACQUISITION OF
SCOTT AND ENGLISH ENERGY**

- *Swissco Group expanding upstream into the offshore rig chartering business with the acquisition of Scott and English Energy.*
- *Scott and English Energy is in the business of owning and leasing mobile offshore drilling units and service rigs to support major oil and gas corporations in their exploration and production (“E&P”) activities.*
- *Operational synergies expected with the acquisition, providing Swissco Group with a diversified earnings base with stable, recurring income.*

Singapore, 28 February 2014 – SGX Mainboard-listed **Swissco Holdings Limited** (“Swissco” or the “Company,” together with its subsidiaries, the “Group”), a leading marine service provider for the offshore oil and gas industry, announced the proposed acquisition of **Scott and English Energy Pte. Ltd.** (“Scott and English”) for approximately S\$285.0 million today. The Company has entered into a legally binding heads of agreement (“HOA”) with Double Dragon Energy Holdings Limited (“Double Dragon”), which will form the broad basis of the definitive sale and purchase agreement to be entered into for the proposed acquisition of the entire issued and paid-up share capital in Scott and English (“Acquisition”).

Scott and English is in the business of owning and leasing mobile offshore drilling units and service rigs to support major oil and gas corporations in their exploration and production (“E&P”) activities. It is helmed by industry veterans with many years of experience in the oil & gas industry, including Mr. Tan Fuh Gih and Mr. Tan Kim Seng. Scott and English is a wholly-owned subsidiary of Double Dragon, which is majority-held by Kim Seng Holdings Pte. Ltd. (“KSH”).

In connection with the Acquisition, the Company proposes to undertake a share consolidation (“Share Consolidation”) of two Shares into one new Share (“Consolidated Share”).

The consideration of S\$285.0 million is to be satisfied by the allotment and issuance of 452,380,952 Consolidated Shares in the capital of Swissco (“Consideration Shares”) at an issue price of S\$0.630 per Consideration Share. Scott and English is valued at approximately S\$289 million according to a valuation report dated 27 February 2014 issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited commissioned by the Company.

Swissco Holdings Limited

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An extraordinary general meeting will be convened at a later date to seek the approval of Swissco shareholders for the Acquisition. The Acquisition is also subject to the approval of SGX, as it is regarded as a very substantial acquisition under the rules of the SGX Listing Manual.

Swissco currently owns and operates a fleet of offshore support vessels (“OSVs”). The Board of Directors of Swissco believes that the Acquisition will lead to a diversification of its fleet business and represents an investment for long-term growth. This move upstream by the Group in the offshore oil and gas E&P sector is a step forward from the primarily OSV-focused business. The Group expects to obtain potential operational synergies and benefit from the stable and recurring income base arising from the Acquisition.

In addition, the Acquisition will potentially increase the market capitalisation of the Group significantly and therefore widen its investor base. This will likely attract more extensive analyst coverage and lead to an overall increase in investor interest and trading liquidity.

Commenting on the transaction, Mr. Alex Yeo, Chief Executive Officer of Swissco, said: “The Acquisition will combine the expertise, know-how and track record of a leading marine service provider with the sourcing capabilities and industry connections of a fast-growing international rig owner in the offshore oil and gas industry. Riding on the robust momentum in the offshore oil and gas sector, the synergies between the two businesses will diversify the earnings base for the Company while providing it with stable, recurring income. Swissco will now have opportunities to grow beyond its traditional OSV operations. More importantly, this development will enhance long-term value for our shareholders.”

Scott and English Energy: A fast-growing international mobile offshore drilling units and service rigs owner helmed by industry veterans with illustrious track records and deep, extensive relationships with major players in the oil & gas industry

Highlighting Scott and English’s background, Mr. Chua Wei Teck, Chief Executive Officer of Scott and English, said: “As an emerging player in the international offshore oil and gas sector, we are backed by industry veterans with illustrious track records. We have deep, extensive relationships with oil majors and possess strong knowledge and understanding of the sector. With these solid connections, we are able to rapidly source and acquire interests in quality assets.

Within a short span of time, we were able to acquire and charter out offshore drilling and service rigs to national oil majors in key markets such as Latin America, where governmental reforms are driving an increase in exploration and production spending. We were also able to secure long-term bare-boat charter contracts, which last about five years on average, with these oil majors. We believe this is a testament to our strong relationships with these oil majors and our knowledge, as well as our ability to thrive in this sector.”

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Scott and English intends to acquire additional rigs to fuel its future growth, either through majority ownership or through joint-venture partnerships with reputable companies.

Strategies and Future Plans

Given the continuing demand for energy, oil prices are expected to be sustained at a high level over the longer term. As National Oil Companies (“NOCs”) push forward with aggressive drilling programmes in deeper waters, rig demand remains strong in all major global markets and across different types of rigs.

“We are in the midst of an upcycle for rigs with a construction boom and increased utilisation of rigs leading to favourable rates for such assets,” Mr. Chua said. “Scott and English plans to tap into opportunities that provide generous returns in short pay-back periods.”

Scott and English’s growth plans include:

- Geographical diversification to reach out to more new markets and NOCs;
- Expansion through acquisitions of new rigs, either through majority ownership or through joint-venture partnerships with reputable companies;
- Strategic business expansion through mergers and acquisitions; and
- Diversification of business activities that would complement the existing business model.

Mr. Chua concluded: “We have achieved much in a short period and have big plans ahead of us. By building our network and knowledge, we are confident of capitalising on favourable industry trends to capture a bigger market share of the offshore oil and gas industry.”

UOB Kay Hian Private Limited shall be appointed as the sole financial adviser to the Acquisition. An independent financial adviser will be appointed to advise the independent directors of the Company on the Acquisition in due course.

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About Swissco Holdings Limited

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.

About Scott and English Energy Pte. Ltd.

Scott and English Energy Pte. Ltd. is in the business of owning and leasing mobile offshore drilling units and service rigs to support major oil and gas corporations in their exploration and production (“E&P”) activities. It is helmed by an experienced team of veterans who have long-standing relationships with major players in the oil and gas industry. Its existing fleet of rigs is currently on long-term bare-boat charters, mainly in Latin America. Over the next few years, the company plans to expand and diversify its portfolio, its geographical reach and range of business activities that would encompass rig management services.

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