

**SWISSCO HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200404711D)

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**PROPOSED ISSUANCE OF UP TO 21,975,000 REDEEMABLE EXCHANGEABLE PREFERENCE SHARES IN S&E OFFSHORE INVESTMENTS PTE. LTD. AND UP TO 21,975,000 REDEEMABLE EXCHANGEABLE PREFERENCE SHARES IN S&E OFFSHORE INVESTMENTS 2 PTE. LTD.**

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**1. INTRODUCTION**

The Board of Directors of Swissco Holdings Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that it has entered into:

- (a) a letter agreement dated 7 August 2014 (the "**S&E Offshore Letter Agreement**") with Scott and English Energy Pte. Ltd. ("**S&E**"), S&E Offshore Investments Pte. Ltd. ("**S&E Offshore**"), and each of (1) UVM 2 Venture Investments LP, acting through its general partner UOB Bioventures Management Pte Ltd, (2) Evia Growth Opportunities III Ltd, (3) Venstar Investments II Ltd, (4) Goh Lam Wee and (5) Chong Chin Cheong (together, the "**S&E Offshore Investors**") in relation to the proposed issue by S&E Offshore of 18,375,000 non-voting, redeemable and exchangeable class A preference shares ("**S&E Offshore Class A Preference Shares**") and up to 3,600,000 non-voting, redeemable and exchangeable class B preference shares ("**S&E Offshore Class B Preference Shares**" and together with the S&E Offshore Class A Preference Shares, the "**S&E Offshore Preference Shares**") to the S&E Offshore Investors (the "**S&E Offshore Proposed Transaction**"); and
- (b) a letter agreement dated 7 August 2014 (the "**S&E Offshore 2 Letter Agreement**", and together with the S&E Offshore Letter Agreement, the "**Letter Agreements**") with S&E, S&E Offshore Investments 2 Pte. Ltd. ("**S&E Offshore 2**"), and each of (1) UVM 2 Venture Investments LP, acting through its general partner UOB Bioventures Management Pte Ltd, (2) Evia Growth Opportunities III Ltd, (3) Venstar Investments II Ltd, (4) Venstar Investments III Ltd, (5) 3VS1 Asia Growth Fund 2 Ltd, (6) Griffin Prive Fund SPC for and on behalf of Garnet Segregated Portfolio, and (7) WPC Corporation Pte. Ltd (together, the "**S&E Offshore 2 Investors**", and together with the S&E Offshore Investors, the "**Investors**") in relation to the proposed issue by S&E Offshore 2 of 18,375,000 non-voting, redeemable and exchangeable class A preference shares ("**S&E Offshore 2 Class A Preference Shares**") and up to 3,600,000 non-voting, redeemable and exchangeable class B preference shares ("**S&E Offshore 2 Class B Preference Shares**" and together with the S&E Offshore 2 Class A Preference Shares, the "**S&E Offshore 2 Preference Shares**") to the S&E Offshore 2 Investors (the "**S&E Offshore 2 Proposed Transaction**", and together with the S&E Offshore Proposed Transaction, the "**Proposed Transactions**").

S&E is a wholly-owned subsidiary of the Company, and each of S&E Offshore and S&E Offshore 2 are wholly-owned subsidiaries of S&E. The S&E Offshore Preference Shares and the S&E Offshore 2 Preferences Shares shall be collectively referred to as the "**Preference Shares**".

## 2. PRINCIPAL TERMS

### S&E OFFSHORE PROPOSED TRANSACTION

Pursuant to the S&E Offshore Letter Agreement, the Company, S&E, S&E Offshore and the S&E Offshore Investors (collectively, the “**S&E Offshore Parties**”) have agreed that the issue of the S&E Offshore Preference Shares shall be on, *inter alia*, the following terms:

<b>Proposed Transaction</b>	<p>The S&amp;E Offshore Proposed Transaction will involve the issuance by S&amp;E Offshore of 3 separate tranches of S&amp;E Offshore Preference Shares to the S&amp;E Offshore Investors (and/or such entities as may be nominated by them) in the respective proportions as set out in Schedule A-1 hereto.</p> <p>In connection with the S&amp;E Offshore Proposed Transaction:</p> <p>(a) S&amp;E Offshore will subscribe for 50% of the ordinary shares in a Singapore-incorporated company to be incorporated, being a jointly controlled entity (“<b>JCE 1</b>”), and the S&amp;E Offshore Investors (and/or such entities as may be nominated by them) will collectively subscribe for the remaining 50% of the ordinary shares in JCE 1. The ordinary shares in JCE 1 shall be collectively referred to as the “<b>JCE 1 Ordinary Shares</b>”; and</p> <p>(b) JCE 1 shall incorporate a wholly-owned subsidiary (“<b>Rig SPV 1</b>”), being the special purpose vehicle that intends to acquire a mobile offshore drilling unit (the “<b>Rig 1</b>”).</p>
<b>Issue Price</b>	US\$1 per S&E Offshore Preference Share (the “ <b>S&amp;E Offshore Issue Price</b> ”)
<b>Aggregate Amount to be Raised</b>	<p>Up to US\$21.975 million (equivalent to approximately S\$27.379 million<sup>1</sup>) in the following tranches:</p> <p>(a) First Tranche: US\$18.375 million (equivalent to approximately S\$22.893 million) (the “<b>S&amp;E Offshore First Tranche</b>”) from the subscription of S&amp;E Offshore Class A Preference Shares (the “<b>S&amp;E Offshore First Tranche Preference Shares</b>”);</p> <p>(b) Second Tranche: up to US\$2.4 million (equivalent to approximately S\$2.99 million) (the “<b>S&amp;E Offshore Second Tranche</b>”) from the subscription of S&amp;E Offshore Class B Preference Shares (the “<b>S&amp;E Offshore Second Tranche Preference Shares</b>”); and</p> <p>(c) Third Tranche: up to US\$1.2 million (equivalent to approximately S\$1.495 million) (the “<b>S&amp;E Offshore Third Tranche</b>”) from the subscription of S&amp;E Offshore Class B Preference Shares (the “<b>S&amp;E Offshore Third Tranche Preference Shares</b>”).</p>
<b>Maturity Date</b>	The “ <b>S&amp;E Offshore Maturity Date</b> ” is defined as the date falling on the 36th

<sup>1</sup> Unless otherwise stated, an exchange rate of S\$1.2459: US\$1.00 is used in this announcement.

	<p>month anniversary of the date on which the S&amp;E Offshore Class A Preference Shares are issued (such date of issue, the “<b>S&amp;E Offshore Issue Date</b>”).</p>
<b>Exchange Option</b>	<p>Subject to the section entitled “Adjustments to Exchange Price”, the Company shall provide each S&amp;E Offshore Investor with the following option to exchange (the “<b>S&amp;E Offshore Exchange Option</b>”):</p> <p>(a) 50% of its outstanding S&amp;E Offshore Class A Preference Shares (the “<b>S&amp;E Offshore First Exchange Shares</b>”) into ordinary shares of the Company (“<b>Swissco Shares</b>”) by the S&amp;E Offshore Exchange Ratio (as defined below) on a date beginning from the 12<sup>th</sup> month after the S&amp;E Offshore Issue Date and up to the S&amp;E Offshore Maturity Date (the “<b>S&amp;E Offshore First Exchange Date</b>”). For the avoidance of doubt, each S&amp;E Offshore Investor can only choose to exchange all (and not some only) of the S&amp;E Offshore First Exchange Shares on the S&amp;E Offshore First Exchange Date;</p> <p>(b) all (and not some only) of its outstanding S&amp;E Offshore Class B Preference Shares issued as S&amp;E Offshore Second Tranche Preference Shares into Swissco Shares by the S&amp;E Offshore Exchange Ratio on a date beginning from the 12<sup>th</sup> month after the S&amp;E Offshore Issue Date and up to the S&amp;E Offshore Maturity Date;</p> <p>(c) the balance 50% of all (and not some only) of its outstanding S&amp;E Offshore Class A Preference Shares into Swissco Shares by the S&amp;E Offshore Exchange Ratio on a date beginning from the 24<sup>th</sup> month after the S&amp;E Offshore Issue Date and up to the S&amp;E Offshore Maturity Date (“<b>S&amp;E Offshore Second Exchange Date</b>”); and</p> <p>(d) all (and not some only) of its outstanding S&amp;E Offshore Class B Preference Shares issued as S&amp;E Offshore Third Tranche Preference Shares into Swissco Shares by the S&amp;E Offshore Exchange Ratio on a date beginning from the 24<sup>th</sup> month after the S&amp;E Offshore Issue Date and up to the S&amp;E Offshore Maturity Date,</p> <p>Provided that such exchange into Swissco Shares shall be subject to the approval-in-principle for the admission to and listing and quotation of such Swissco Shares on the Mainboard of the Singapore Exchange Securities Trading Limited (“<b>SGX-ST</b>”) being granted by the SGX-ST and the shareholders’ approval of the Company being obtained (if necessary).</p> <p>The Swissco Shares, when issued by the Company, will rank <i>pari passu</i> in all respects with and carry all rights similar to the then existing ordinary shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the relevant date of issue of such Swissco Shares.</p>
<b>Exchange Price</b>	<p>The exchange price shall be S\$0.8732 (the “<b>S&amp;E Offshore Exchange Price</b>”).</p>

<b>Exchange Rate</b>	The USD/SGD exchange rate shall be fixed at 1.2459 (the “ <b>Exchange Rate</b> ”)		
<b>Exchange Ratio</b>	<p>Upon exchange, each S&amp;E Offshore Preference Share can be exchanged into 1.4268 Swissco Shares (“<b>Exchange Ratio</b>”), derived as follows:</p> <table border="1" data-bbox="488 371 1378 510"> <tr> <td data-bbox="488 371 820 510">Number of Swissco Shares per S&amp;E Offshore Preference Share</td> <td data-bbox="820 371 1378 510"> <math display="block">= \frac{\text{S\&amp;E Offshore Issue Price} \times \text{Exchange Rate}}{\text{S\&amp;E Offshore Exchange Price}}</math> <math display="block">= 1.4268</math> </td> </tr> </table>	Number of Swissco Shares per S&E Offshore Preference Share	$= \frac{\text{S\&E Offshore Issue Price} \times \text{Exchange Rate}}{\text{S\&E Offshore Exchange Price}}$ $= 1.4268$
Number of Swissco Shares per S&E Offshore Preference Share	$= \frac{\text{S\&E Offshore Issue Price} \times \text{Exchange Rate}}{\text{S\&E Offshore Exchange Price}}$ $= 1.4268$		
<b>Adjustments to Exchange Price</b>	<p>The S&amp;E Offshore Exchange Price shall be subject to customary adjustments in the event of (a) sub-division, consolidation or reclassification of Swissco Shares; (b) distribution of share dividends or otherwise which is of capital in nature or (c) grant, issue or offer to existing shareholders of the Company any rights, options, or warrants entitling them to subscribe for or purchase Swissco Shares, each as determined in accordance with the definitive agreement to be entered into for the S&amp;E Offshore Proposed Transaction (the “<b>S&amp;E Offshore Definitive Agreement</b>”).</p>		
<b>Redemption at Maturity (“S&amp;E Offshore Maturity Redemption Event”)</b>	<p>Within five (5) business days immediately after the S&amp;E Offshore Maturity Date, S&amp;E Offshore has the option to redeem such number of outstanding S&amp;E Offshore Preference Shares at a redemption price per S&amp;E Offshore Preference Share equivalent to:</p> <p>(a) in the case of S&amp;E Offshore Class A Preference Shares, 1.8 times of the S&amp;E Offshore Issue Price (i) plus any accrued earnings (referred to in “Dividend Policy of JCE 1” section) attributable to the S&amp;E Offshore Investor in respect of the relevant portion of its JCE 1 Ordinary Shares up to the S&amp;E Offshore First Exchange Date (which have not yet been declared by JCE 1 as dividends) and (ii) less any dividends declared and paid to the S&amp;E Offshore Investor in respect of the relevant portion of its JCE 1 Ordinary Shares up to the S&amp;E Offshore Maturity Date; and</p> <p>(b) in the case of S&amp;E Offshore Class B Preference Shares, the S&amp;E Offshore Issue Price.</p> <p>Upon the occurrence of the S&amp;E Offshore Maturity Redemption Event, the Company shall unconditionally and irrevocably guarantee the payment of all monies payable by S&amp;E Offshore to the S&amp;E Offshore Investors for the redemption of the outstanding S&amp;E Offshore Preference Shares.</p> <p>If S&amp;E Offshore does not redeem the outstanding S&amp;E Offshore Preference Shares pursuant to the S&amp;E Offshore Maturity Redemption Event within five (5) business days immediately after the S&amp;E Offshore Maturity Date, an additional redemption premium of 35% per annum will be payable to the S&amp;E Offshore Investor on the redemption price for the outstanding S&amp;E Offshore Preference Shares, commencing on the sixth (6<sup>th</sup>) business day after the S&amp;E Offshore Maturity Date and up to the date of redemption of such outstanding S&amp;E Offshore Preference Shares.</p>		

	<p>In conjunction with the redemption of the S&amp;E Offshore Preference Shares, each S&amp;E Offshore Investor shall transfer all the JCE 1 Ordinary Shares held by it to the Company (or its nominee) for a nominal consideration of S\$1.</p>
<p><b>Liquidation Events</b></p>	<p>Each of the following shall be considered a “<b>S&amp;E Offshore Liquidation Event</b>”:</p> <ul style="list-style-type: none"> <li>(a) save for any dilution of shareholding due to the exercise of the S&amp;E Offshore Exchange Options, Tan Wei Min, Tan Fuh Gih and Tan Hoo Lang collectively holding less than 25% of Swissco Shares;</li> <li>(b) the Company having sold its 100% stake of S&amp;E to a 3<sup>rd</sup> party;</li> <li>(c) S&amp;E having sold its 100% stake of S&amp;E Offshore to a 3<sup>rd</sup> party; or</li> <li>(d) Rig SPV 1 no longer owning Rig 1 or such other mobile offshore drilling unit acquired by Rig SPV 1 from the proceeds of the S&amp;E Offshore Proposed Transaction.</li> </ul> <p>Upon the occurrence of any of the aforementioned S&amp;E Offshore Liquidation Events, S&amp;E Offshore shall have the option to redeem (“<b>S&amp;E Offshore Liquidation Event Redemption</b>”) such number of outstanding S&amp;E Offshore Preference Shares at a redemption price per S&amp;E Offshore Preference Share equivalent to:</p> <ul style="list-style-type: none"> <li>(a) in the case of S&amp;E Offshore Class A Preference Shares, 1.8 times of the S&amp;E Offshore Issue Price (i) plus any accrued earnings (referred to in “Dividend Policy of JCE 1” section) attributable to the S&amp;E Offshore Investor in respect of the relevant portion of its JCE 1 Ordinary Shares up the S&amp;E Offshore First Exchange Date (which have not yet been declared by JCE 1 as dividends) and (ii) less any dividends declared and paid to the S&amp;E Offshore Investor in respect of the relevant portion of its JCE 1 Ordinary Shares up to the date of the S&amp;E Offshore Liquidation Event; and</li> <li>(b) in the case of S&amp;E Offshore Class B Preference Shares, the S&amp;E Offshore Issue Price.</li> </ul> <p>If the S&amp;E Offshore does not redeem the outstanding S&amp;E Offshore Preference Shares pursuant to the S&amp;E Offshore Liquidation Event Redemption within five (5) business days immediately after the S&amp;E Offshore Liquidation Event, an additional redemption premium of 35% per annum will be payable to the S&amp;E Offshore Investor on the redemption price for the outstanding S&amp;E Offshore Preference Shares, commencing on the sixth (6<sup>th</sup>) business day after the occurrence of the S&amp;E Offshore Liquidation Event Redemption and up to the date of redemption of such outstanding S&amp;E Offshore Preference Shares.</p> <p>In conjunction with the redemption of the S&amp;E Offshore Preference Shares, each S&amp;E Offshore Investor shall transfer all the JCE 1 Ordinary Shares held by</p>

	it to the Company (or its nominee) for a nominal consideration of S\$1.
<b>Mandatory Transfers</b>	<p>S&amp;E Offshore shall transfer its entire shareholding of JCE 1 Ordinary Shares to the S&amp;E Offshore Investors, <i>pro rata</i> to their respective holdings of S&amp;E Offshore Class A Preference Shares, at a nominal consideration of S\$1 in the event that (each, a “<b>S&amp;E Offshore Mandatory Transfer</b>”):</p> <p>(a) the S&amp;E Offshore Bank (as defined below) has repossessed the Rig 1 due to a default on repayments under the S&amp;E Offshore Bank Financing (as defined below);</p> <p>(b) the failure of the Company to perform its obligations on the occurrence of the S&amp;E Offshore Maturity Redemption Event and S&amp;E Offshore Liquidation Event Redemption; or</p> <p>(c) the wilful breach by the Company or S&amp;E Offshore of any of the agreed material terms of the S&amp;E Offshore Definitive Agreement. The S&amp;E Offshore Parties agree that the S&amp;E Offshore Definitive Agreement shall not contain substantially different terms from that set out in the S&amp;E Offshore Letter Agreement.</p> <p>In the event of a S&amp;E Offshore Mandatory Transfer, all the outstanding S&amp;E Offshore Preference Shares held by S&amp;E Offshore Investors shall be compulsorily redeemed by S&amp;E Offshore at a nominal amount of S\$1 and cancelled.</p>
<b>Dividend Policy of JCE 1</b>	<p>Subject to applicable laws and regulations, the board of JCE 1 shall decide on the dividend policy of JCE 1. It is the intention of JCE 1 to distribute to its ordinary shareholders all its yearly distributable profits (the “<b>JCE 1 Dividend Policy</b>”). In the event that the S&amp;E Offshore Bank Financing prohibits S&amp;E Offshore from complying with such JCE 1 Dividend Policy, such distributable profits after tax shall be distributed via dividends as soon as practicable in accordance with the JCE 1 Dividend Policy.</p> <p>Based on the JCE 1 Dividend Policy, the S&amp;E Offshore Investors are entitled to the earnings of JCE 1 according to their respective holding of the JCE 1 Ordinary Shares on a yearly basis, which will accrue to them until such accrued earnings are declared as dividends. Each S&amp;E Offshore Investor irrevocably agrees, confirms and undertakes that if and when it exercises the S&amp;E Offshore Exchange Option, it shall waive its corresponding rights to any and all dividends in respect of such number of JCE 1 Ordinary Shares held by it, and which are proportionate to such number of S&amp;E Offshore Class A Preference Shares comprised in the exercise of the S&amp;E Offshore Exchange Option by such S&amp;E Offshore Investor.</p>
<b>Conditions Precedent</b>	<p><u>S&amp;E Offshore First Tranche</u></p> <p>The completion of the subscription of the S&amp;E Offshore First Tranche Preference Shares shall be subject to, amongst others (the “<b>S&amp;E Offshore</b></p>

	<p><b>Conditions Precedent”):</b></p> <p>(a) S&amp;E or its nominees having signed the legally binding sale and purchase agreement (“<b>Rig SPA 1</b>”) to acquire the Rig 1 at an agreed acquisition price (“<b>Acquisition Price 1</b>”);</p> <p>(b) To obtain a letter agreement to renew the charter contract with a national oil major for a further period of at least 3 years;</p> <p>(c) Securing bank financing with a Singapore bank (the “<b>S&amp;E Offshore Bank</b>”) with a minimum tenure of 5 years for the remaining 70% of the Acquisition Price 1 to finance the acquisition of the Rig 1 (the “<b>S&amp;E Offshore Bank Financing</b>”), and such S&amp;E Offshore Bank Financing not requiring any of the S&amp;E Offshore Investors to furnish additional security or guarantee in respect thereto;</p> <p>(d) Fulfilment of all the conditions precedent for the drawdown of the S&amp;E Offshore Bank Financing for the purpose of completing the acquisition of the Rig 1 by the Rig SPV 1;</p> <p>(e) Approval-in-principle for the admission to and listing and quotation of such Swissco Shares to be issued upon the exercise of the S&amp;E Offshore Exchange Option on the Mainboard of the SGX-ST being granted by the SGX-ST and shareholders’ approval of the Company being obtained for the issue of such Swissco Shares;</p> <p>(f) Satisfactory completion of business, legal and financial due diligence on S&amp;E Offshore, JCE 1, Rig SPV 1 and the Rig 1, all to the S&amp;E Offshore Investors’ satisfaction;</p> <p>(g) No material adverse change to the financial conditions or operations of the Rig SPV 1 and the Rig 1;</p> <p>(h) Signing of the S&amp;E Offshore Definitive Agreement with the S&amp;E Offshore Investors;</p> <p>(i) Amendment of the Articles of Association of S&amp;E Offshore incorporating the terms of the S&amp;E Offshore Preference Shares;</p> <p>(j) Approval from the relevant board of directors and shareholders (if required) of the S&amp;E Offshore Parties;</p> <p>(k) Written approval of the Company's board to provide the S&amp;E Offshore Investors with the S&amp;E Offshore Exchange Option provided in the S&amp;E Offshore Letter Agreement; and</p> <p>(l) Written undertakings of Tan Wei Min, Tan Fuh Gih and Tan Hoo Lang undertaking to vote in favour of the resolution at an extraordinary general meeting of the Company seeking approval for the issue of</p>
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	<p>such Swissco Shares to the S&amp;E Offshore Investors pursuant to the S&amp;E Offshore Exchange Option (if necessary) to the extent that such substantial shareholder is permitted to vote under the relevant SGX-ST listing rules.</p> <p><u>S&amp;E Offshore Second Tranche</u></p> <p>S&amp;E Offshore shall complete the issuance of the S&amp;E Offshore Second Tranche Preference Shares upon the provision of a notice from any S&amp;E Offshore Investor at its sole option to S&amp;E Offshore requesting it to issue the number of S&amp;E Offshore Class B Preference Shares as stated in such notice. Such notice can be served on S&amp;E Offshore by any S&amp;E Offshore Investor at any time beginning from the date falling on the 12<sup>th</sup> month after the S&amp;E Offshore Issue Date and ending on the S&amp;E Offshore Maturity Date.</p> <p>For the avoidance of doubt, the maximum number of S&amp;E Offshore Second Tranche Preference Shares that each S&amp;E Offshore Investor may subscribe for is stated under the column entitled “S&amp;E Offshore Second Tranche Preference Shares” in Schedule A-1 hereto.</p> <p><u>S&amp;E Offshore Third Tranche</u></p> <p>S&amp;E Offshore shall complete the issuance of the S&amp;E Offshore Third Tranche Preference Shares upon the provision of a notice from any S&amp;E Offshore Investor at its sole option to S&amp;E Offshore requesting it to issue the number of S&amp;E Offshore Class B Preference Shares as stated in such notice. Such notice can be served on S&amp;E Offshore by any S&amp;E Offshore Investor at any time beginning from the date falling on the 24<sup>th</sup> month after the S&amp;E Offshore Issue Date and ending on the S&amp;E Offshore Maturity Date.</p> <p>For the avoidance of doubt, the maximum number of S&amp;E Offshore Third Tranche Preference Shares that each S&amp;E Offshore Investor may subscribe for is stated under the column entitled “S&amp;E Offshore Third Tranche Preference Shares” in Schedule A-1 hereto.</p>
<p><b>Conditions Subsequent</b></p>	<p>S&amp;E Offshore shall use its best endeavours to fulfil the following conditions subsequent to the completion of the subscription of the S&amp;E Offshore First Tranche Preference Shares that, amongst others:</p> <ul style="list-style-type: none"> <li>(a) all the conditions precedent under the Rig SPA 1 are fulfilled;</li> <li>(b) the acquisition of the Rig 1 is completed no later than 29 September 2014 (or such later date as the S&amp;E Offshore Investors may agree);</li> <li>(c) the S&amp;E Offshore Investors being granted a second ranking vessel mortgage over the Rig 1 (with a legal opinion to be issued by the Rig SPV 1’s lawyers addressed to the S&amp;E Offshore Investors confirming the valid creation of such mortgage, its legality and validity and the proper registration of charge within seven days from the date of</li> </ul>



	<p>completion of the subscription of the S&amp;E Offshore First Tranche Preference Shares ("<b>S&amp;E Offshore Completion Date</b>"); and</p> <p>(d) provision of a copy of the insurance policy showing full comprehensive marine insurance coverage on the Rig 1.</p>
<b>Long-Stop Date</b>	<p>31 December 2014 or such later date to be mutually agreed between the parties (the "<b>S&amp;E Offshore Long-Stop Date</b>").</p> <p>Notwithstanding anything to the contrary in the S&amp;E Offshore Letter Agreement, in the event of the non-fulfilment of condition subsequent item (b) in the section entitled "Conditions Subsequent" by the S&amp;E Offshore Long-Stop Date, the sole obligation of S&amp;E Offshore is to redeem all outstanding S&amp;E Offshore Preference Shares at the S&amp;E Offshore Issue Price plus a redemption premium of 7% per annum on the S&amp;E Offshore Issue Price from the S&amp;E Offshore Completion Date to the date of payment of the redemption price to the respective S&amp;E Offshore Investors (the "<b>S&amp;E Offshore Long-stop Redemption Event</b>").</p>
<b>Closing Items / Post-closing Covenants</b>	<p>For so long as the Company or S&amp;E Offshore remains an indirect shareholder of JCE 1 and the Rig SPV 1:</p> <p>(a) S&amp;E shall utilise its industry contacts to assist the Rig SPV 1 in procuring a bareboat charter with a daily rate not lower than the existing bareboat charter rate;</p> <p>(b) the Company will provide a corporate guarantee to the S&amp;E Offshore Bank in relation to the S&amp;E Offshore Bank Financing;</p> <p>(c) the Company will provide a corporate guarantee to the S&amp;E Offshore Investors to guarantee the payment of the monies payable by S&amp;E Offshore to the S&amp;E Offshore Investors for the redemption of the outstanding S&amp;E Offshore Preference Shares upon the S&amp;E Offshore Maturity Redemption Event, the S&amp;E Offshore Liquidation Event or the S&amp;E Offshore Long-Stop Redemption Event; and</p> <p>(d) The S&amp;E Offshore Parties agree that the S&amp;E Offshore Investors shall not be required to inject further capital in the form of equity/ or shareholders' loans to JCE 1 for working capital purposes upon completion of the S&amp;E Offshore Proposed Transaction,</p> <p>Provided always that the obligations under this clause shall cease and determine immediately upon the S&amp;E Offshore Mandatory Transfer.</p>

## S&E OFFSHORE 2 PROPOSED TRANSACTION

Pursuant to the S&E Offshore 2 Letter Agreement, the Company, S&E, S&E Offshore 2 and the S&E Offshore 2 Investors (collectively, the “**S&E Offshore 2 Parties**”) have agreed that the issue of the S&E Offshore 2 Preference Shares shall be on, *inter alia*, the following terms:

<p><b>Proposed Transaction</b></p>	<p>The S&amp;E Offshore 2 Proposed Transaction will involve the issuance by S&amp;E Offshore 2 of 3 separate tranches of S&amp;E Offshore 2 Preference Shares to the S&amp;E Offshore 2 Investors (and/or such entities as may be nominated by them) in the respective proportions as set out in Schedule A-2 hereto.</p> <p>In connection with the S&amp;E Offshore 2 Proposed Transaction:</p> <p>(a) S&amp;E Offshore 2 will subscribe for 50% of the ordinary shares in a Singapore-incorporated company to be incorporated, being a jointly controlled entity (“<b>JCE 2</b>”), and the S&amp;E Offshore 2 Investors (and/or such entities as may be nominated by them) will collectively subscribe for the remaining 50% of the ordinary shares in JCE 2. The ordinary shares in JCE 2 shall be collectively referred to as the “<b>JCE 2 Ordinary Shares</b>”; and</p> <p>(b) JCE 2 shall incorporate a wholly-owned subsidiary (“<b>Rig SPV 2</b>”), being the special purpose vehicle that intends to acquire a mobile offshore drilling unit (the “<b>Rig 2</b>”).</p>
<p><b>Issue Price</b></p>	<p>US\$1 per S&amp;E Offshore 2 Preference Share (the “<b>S&amp;E Offshore 2 Issue Price</b>”)</p>
<p><b>Aggregate Amount to be Raised</b></p>	<p>Up to US\$21.975 million (equivalent to approximately S\$27.379 million) in the following tranches:</p> <p>(a) First Tranche: US\$18.375 million (equivalent to approximately S\$22.893 million) (the “<b>S&amp;E Offshore 2 First Tranche</b>”) from the subscription of S&amp;E Offshore 2 Class A Preference Shares (the “<b>S&amp;E Offshore 2 First Tranche Preference Shares</b>”);</p> <p>(b) Second Tranche: up to US\$2.4 million (equivalent to approximately S\$2.99 million) (the “<b>S&amp;E Offshore 2 Second Tranche</b>”) from the subscription of S&amp;E Offshore 2 Class B Preference Shares (the “<b>S&amp;E Offshore 2 Second Tranche Preference Shares</b>”); and</p> <p>(c) Third Tranche: up to US\$1.2 million (equivalent to approximately S\$1.495 million) (the “<b>S&amp;E Offshore 2 Third Tranche</b>”) from the subscription of S&amp;E Offshore 2 Class B Preference Shares (the “<b>S&amp;E Offshore 2 Third Tranche Preference Shares</b>”).</p>
<p><b>Maturity Date</b></p>	<p>The “<b>S&amp;E Offshore 2 Maturity Date</b>” is defined as the date falling on the 36th month anniversary of the date on which the S&amp;E Offshore 2 Class A Preference Shares are issued (such date of issue, the “<b>S&amp;E Offshore 2 Issue Date</b>”).</p>
<p><b>Exchange Option</b></p>	<p>Subject to the section entitled “Adjustments to Exchange Price”, the Company shall provide each S&amp;E Offshore 2 Investor with the following option to exchange (the “<b>S&amp;E Offshore 2 Exchange Option</b>”):</p>

	<p>(a) 50% of its outstanding S&amp;E Offshore 2 Class A Preference Shares (the “<b>S&amp;E Offshore 2 First Exchange Shares</b>”) into Swissco Shares by the S&amp;E Offshore 2 Exchange Ratio (as defined below) on a date beginning from the 12<sup>th</sup> month after the S&amp;E Offshore 2 Issue Date and up to the S&amp;E Offshore 2 Maturity Date (the “<b>S&amp;E Offshore 2 First Exchange Date</b>”). For the avoidance of doubt, each S&amp;E Offshore 2 Investor can only choose to exchange all (and not some only) of the S&amp;E Offshore 2 First Exchange Shares on the S&amp;E Offshore 2 First Exchange Date;</p> <p>(b) all (and not some only) of its outstanding S&amp;E Offshore 2 Class B Preference Shares issued as S&amp;E Offshore 2 Second Tranche Preference Shares into Swissco Shares by the S&amp;E Offshore 2 Exchange Ratio on a date beginning from the 12<sup>th</sup> month after the S&amp;E Offshore 2 Issue Date and up to the S&amp;E Offshore 2 Maturity Date;</p> <p>(c) the balance 50% of all (and not some only) of its outstanding S&amp;E Offshore 2 Class A Preference Shares into Swissco Shares by the S&amp;E Offshore 2 Exchange Ratio on a date beginning from the 24<sup>th</sup> month after the S&amp;E Offshore 2 Issue Date and up to the S&amp;E Offshore 2 Maturity Date (“<b>S&amp;E Offshore 2 Second Exchange Date</b>”); and</p> <p>(d) all (and not some only) of its outstanding S&amp;E Offshore 2 Class B Preference Shares issued as S&amp;E Offshore 2 Third Tranche Preference Shares into Swissco Shares by the S&amp;E Offshore 2 Exchange Ratio on a date beginning from the 24<sup>th</sup> month after the S&amp;E Offshore 2 Issue Date and up to the S&amp;E Offshore 2 Maturity Date,</p> <p>Provided that such exchange into Swissco Shares shall be subject to the approval-in-principle for the admission to and listing and quotation of such Swissco Shares on the Mainboard of the SGX-ST being granted by the SGX-ST and the shareholders’ approval of the Company being obtained (if necessary).</p> <p>The Swissco Shares, when issued by the Company, will rank <i>pari passu</i> in all respects with and carry all rights similar to the then existing ordinary shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the relevant date of issue of such Swissco Shares.</p>		
<b>Exchange Price</b>	The exchange price shall be S\$0.8732 (the “ <b>S&amp;E Offshore 2 Exchange Price</b> ”).		
<b>Exchange Rate</b>	The USD/SGD exchange rate shall be fixed at 1.2459 (the “ <b>Exchange Rate</b> ”)		
<b>Exchange Ratio</b>	<p>Upon exchange, each S&amp;E Offshore 2 Preference Share can be exchanged into 1.4268 Swissco Shares (“<b>Exchange Ratio</b>”), derived as follows:</p> <table border="1" data-bbox="491 1839 1377 1966"> <tr> <td data-bbox="491 1839 820 1966">Number of Swissco Shares per S&amp;E Offshore 2 Preference Share</td> <td data-bbox="820 1839 1377 1966"> <math display="block">= \frac{\text{S\&amp;E Offshore 2 Issue Price} \times \text{Exchange Rate}}{\text{S\&amp;E Offshore 2 Exchange Price}}</math> <math display="block">= 1.4268</math> </td> </tr> </table>	Number of Swissco Shares per S&E Offshore 2 Preference Share	$= \frac{\text{S\&E Offshore 2 Issue Price} \times \text{Exchange Rate}}{\text{S\&E Offshore 2 Exchange Price}}$ $= 1.4268$
Number of Swissco Shares per S&E Offshore 2 Preference Share	$= \frac{\text{S\&E Offshore 2 Issue Price} \times \text{Exchange Rate}}{\text{S\&E Offshore 2 Exchange Price}}$ $= 1.4268$		
<b>Adjustments</b>	The S&E Offshore 2 Exchange Price shall be subject to customary adjustments		

<p><b>to Exchange Price</b></p>	<p>in the event of (a) sub-division, consolidation or reclassification of Swissco Shares; (b) distribution of share dividends or otherwise which is of capital in nature or (c) grant, issue or offer to existing shareholders of the Company any rights, options, or warrants entitling them to subscribe for or purchase Swissco Shares, each as determined in accordance with the definitive agreement to be entered into for the S&amp;E Offshore 2 Proposed Transaction (the “<b>S&amp;E Offshore 2 Definitive Agreement</b>”).</p>
<p><b>Redemption at Maturity (“S&amp;E Offshore 2 Maturity Redemption Event”)</b></p>	<p>Within five (5) business days immediately after the S&amp;E Offshore 2 Maturity Date, S&amp;E Offshore 2 has the option to redeem such number of outstanding S&amp;E Offshore 2 Preference Shares at a redemption price per S&amp;E Offshore 2 Preference Share equivalent to:</p> <p>(a) in the case of S&amp;E Offshore 2 Class A Preference Shares, 1.8 times of the S&amp;E Offshore 2 Issue Price (i) plus any accrued earnings (referred to in “Dividend Policy of JCE 2” section) attributable to the S&amp;E Offshore 2 Investor in respect of the relevant portion of its JCE 2 Ordinary Shares up to the S&amp;E Offshore 2 First Exchange Date (which have not yet been declared by JCE 2 as dividends) and (ii) less any dividends declared and paid to the S&amp;E Offshore 2 Investor in respect of the relevant portion of its JCE 2 Ordinary Shares up to the S&amp;E Offshore 2 Maturity Date; and</p> <p>(b) in the case of S&amp;E Offshore 2 Class B Preference Shares, the S&amp;E Offshore 2 Issue Price.</p> <p>Upon the occurrence of the S&amp;E Offshore 2 Maturity Redemption Event, the Company shall unconditionally and irrevocably guarantee the payment of all monies payable by S&amp;E Offshore 2 to the S&amp;E Offshore 2 Investors for the redemption of the outstanding S&amp;E Offshore 2 Preference Shares.</p> <p>If S&amp;E Offshore 2 does not redeem the outstanding S&amp;E Offshore 2 Preference Shares pursuant to the S&amp;E Offshore 2 Maturity Redemption Event within five (5) business days immediately after the S&amp;E Offshore 2 Maturity Date, an additional redemption premium of 35% per annum will be payable to the S&amp;E Offshore 2 Investor on the redemption price for the outstanding S&amp;E Offshore 2 Preference Shares, commencing on the sixth (6<sup>th</sup>) business day after the S&amp;E Offshore 2 Maturity Date and up to the date of redemption of such outstanding S&amp;E Offshore 2 Preference Shares.</p> <p>In conjunction with the redemption of the S&amp;E Offshore 2 Preference Shares, each S&amp;E Offshore 2 Investor shall transfer all the JCE 2 Ordinary Shares held by it to the Company (or its nominee) for a nominal consideration of S\$1.</p>
<p><b>Liquidation Events</b></p>	<p>Each of the following shall be considered a “<b>S&amp;E Offshore 2 Liquidation Event</b>”:</p> <p>(a) save for any dilution of shareholding due to the exercise of the S&amp;E Offshore 2 Exchange Options, Tan Wei Min, Tan Fuh Gih and Tan Hoo</p>

	<p>Lang collectively holding less than 25% of Swissco Shares;</p> <p>(b) the Company having sold its 100% stake of S&amp;E to a 3<sup>rd</sup> party;</p> <p>(c) S&amp;E having sold its 100% stake of S&amp;E Offshore 2 to a 3<sup>rd</sup> party; or</p> <p>(d) Rig SPV 2 no longer owning Rig 2 or such other mobile offshore drilling unit acquired by Rig SPV 2 from the proceeds of the S&amp;E Offshore 2 Proposed Transaction.</p> <p>Upon the occurrence of any of the aforementioned S&amp;E Offshore 2 Liquidation Events, S&amp;E Offshore 2 shall have the option to redeem (“<b>S&amp;E Offshore 2 Liquidation Event Redemption</b>”) such number of outstanding S&amp;E Offshore 2 Preference Shares at a redemption price per S&amp;E Offshore 2 Preference Share equivalent to:</p> <p>(a) in the case of S&amp;E Offshore 2 Class A Preference Shares, 1.8 times of the S&amp;E Offshore 2 Issue Price (i) plus any accrued earnings (referred to in “Dividend Policy of JCE 2” section) attributable to the S&amp;E Offshore 2 Investor in respect of the relevant portion of its JCE 2 Ordinary Shares up the S&amp;E Offshore 2 First Exchange Date (which have not yet been declared by JCE 2 as dividends) and (ii) less any dividends declared and paid to the S&amp;E Offshore 2 Investor in respect of the relevant portion of its JCE 2 Ordinary Shares up to the date of the S&amp;E Offshore 2 Liquidation Event; and</p> <p>(b) in the case of S&amp;E Offshore 2 Class B Preference Shares, the S&amp;E Offshore 2 Issue Price.</p> <p>If S&amp;E Offshore 2 does not redeem the outstanding S&amp;E Offshore 2 Preference Shares pursuant to the S&amp;E Offshore 2 Liquidation Event Redemption within five (5) business days immediately after the S&amp;E Offshore 2 Liquidation Event, an additional redemption premium of 35% per annum will be payable to the S&amp;E Offshore 2 Investor on the redemption price for the outstanding S&amp;E Offshore 2 Preference Shares, commencing on the sixth (6<sup>th</sup>) business day after the occurrence of the S&amp;E Offshore 2 Liquidation Event Redemption and up to the date of redemption of such outstanding S&amp;E Offshore 2 Preference Shares.</p> <p>In conjunction with the redemption of the S&amp;E Offshore 2 Preference Shares, each S&amp;E Offshore 2 Investor shall transfer all the JCE 2 Ordinary Shares held by it to the Company (or its nominee) for a nominal consideration of S\$1.</p>
<p><b>Mandatory Transfers</b></p>	<p>S&amp;E Offshore 2 shall transfer its entire shareholding of JCE 2 Ordinary Shares to the S&amp;E Offshore 2 Investors, <i>pro rata</i> to their respective holdings of S&amp;E Offshore 2 Class A Preference Shares, at a nominal consideration of S\$1 in the event that (each, a “<b>S&amp;E Offshore 2 Mandatory Transfer</b>”):</p> <p>(a) the S&amp;E Offshore 2 Bank (as defined below) has repossessed the Rig 2 due to a default on repayments under the S&amp;E Offshore 2 Bank</p>

	<p>Financing (as defined below);</p> <p>(b) the failure of the Company to perform its obligations on the occurrence of the S&amp;E Offshore 2 Maturity Redemption Event and S&amp;E Offshore 2 Liquidation Event Redemption; or</p> <p>(c) the wilful breach by the Company or S&amp;E Offshore 2 of any of the agreed material terms of the S&amp;E Offshore 2 Definitive Agreement. The S&amp;E Offshore 2 Parties agree that the S&amp;E Offshore 2 Definitive Agreement shall not contain substantially different terms from that set out in the S&amp;E Offshore 2 Letter Agreement.</p> <p>In the event of a S&amp;E Offshore 2 Mandatory Transfer, all the outstanding S&amp;E Offshore 2 Preference Shares held by S&amp;E Offshore 2 Investors shall be compulsorily redeemed by S&amp;E Offshore 2 at a nominal amount of S\$1 and cancelled.</p>
<p><b>Dividend Policy of JCE 2</b></p>	<p>Subject to applicable laws and regulations, the board of JCE 2 shall decide on the dividend policy of JCE 2. It is the intention of JCE 2 to distribute to its ordinary shareholders all its yearly distributable profits (the “<b>JCE 2 Dividend Policy</b>”). In the event that the S&amp;E Offshore 2 Bank Financing prohibits S&amp;E Offshore 2 from complying with such JCE 2 Dividend Policy, such distributable profits after tax shall be distributed via dividends as soon as practicable in accordance with the JCE 2 Dividend Policy.</p> <p>Based on the JCE 2 Dividend Policy, the S&amp;E Offshore 2 Investors are entitled to the earnings of JCE 2 according to their respective holding of the JCE 2 Ordinary Shares on a yearly basis, which will accrue to them until such accrued earnings are declared as dividends. Each S&amp;E Offshore 2 Investor irrevocably agrees, confirms and undertakes that if and when it exercises the S&amp;E Offshore 2 Exchange Option, it shall waive its corresponding rights to any and all dividends in respect of such number of JCE 2 Ordinary Shares held by it, and which are proportionate to such number of S&amp;E Offshore 2 Class A Preference Shares comprised in the exercise of the S&amp;E Offshore 2 Exchange Option by such S&amp;E Offshore 2 Investor.</p>
<p><b>Conditions Precedent</b></p>	<p><u>S&amp;E Offshore 2 First Tranche</u></p> <p>The completion of the subscription of the S&amp;E Offshore 2 First Tranche Preference Shares shall be subject to, amongst others (the “<b>S&amp;E Offshore 2 Conditions Precedent</b>”):</p> <p>(a) S&amp;E or its nominees having signed the legally binding sale and purchase agreement (“<b>Rig SPA 2</b>”) to acquire the Rig 2 at an agreed acquisition price (“<b>Acquisition Price 2</b>”);</p> <p>(b) To obtain a letter agreement to renew the charter contract with a national oil major for a further period of at least 3 years;</p>

	<p>(c) Securing bank financing with a Singapore bank (the “<b>S&amp;E Offshore 2 Bank</b>”) with a minimum tenure of 5 years for the remaining 70% of the Acquisition Price 2 to finance the acquisition of the Rig 2 (the “<b>S&amp;E Offshore 2 Bank Financing</b>”), and such S&amp;E Offshore 2 Bank Financing not requiring any of the S&amp;E Offshore 2 Investors to furnish additional security or guarantee in respect thereto;</p> <p>(d) Fulfilment of all the conditions precedent for the drawdown of the S&amp;E Offshore 2 Bank Financing for the purpose of completing the acquisition of the Rig 2 by the Rig SPV 2;</p> <p>(e) Approval-in-principle for the admission to and listing and quotation of such Swissco Shares to be issued upon the exercise of the S&amp;E Offshore 2 Exchange Option on the Mainboard of the SGX-ST being granted by the SGX-ST and shareholders’ approval of the Company being obtained for the issue of such Swissco Shares;</p> <p>(f) Satisfactory completion of business, legal and financial due diligence on S&amp;E Offshore 2, JCE 2, Rig SPV 2 and the Rig 2, all to the S&amp;E Offshore 2 Investors’ satisfaction;</p> <p>(g) No material adverse change to the financial conditions or operations of the Rig SPV 2 and the Rig 2;</p> <p>(h) Signing of the S&amp;E Offshore 2 Definitive Agreement with the S&amp;E Offshore 2 Investors;</p> <p>(i) Amendment of the Articles of Association of S&amp;E Offshore 2 incorporating the terms of the S&amp;E Offshore 2 Preference Shares;</p> <p>(j) Approval from the relevant board of directors and shareholders (if required) of the S&amp;E Offshore 2 Parties;</p> <p>(k) Written approval of the Company's board to provide the S&amp;E Offshore 2 Investors with the S&amp;E Offshore2 Exchange Option provided in the S&amp;E Offshore 2 Letter Agreement; and</p> <p>(l) Written undertakings of Tan Wei Min, Tan Fuh Gih and Tan Hoo Lang undertaking to vote in favour of the resolution at an extraordinary general meeting of the Company seeking approval for the issue of such Swissco Shares to the S&amp;E Offshore 2 Investors pursuant to the S&amp;E Offshore 2 Exchange Option (if necessary) to the extent that such substantial shareholder is permitted to vote under the relevant SGX-ST listing rules.</p> <p><u>S&amp;E Offshore 2 Second Tranche</u></p> <p>S&amp;E Offshore 2 shall complete the issuance of the S&amp;E Offshore 2 Second Tranche Preference Shares upon the provision of a notice from any S&amp;E</p>
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	<p>Offshore 2 Investor at its sole option to S&amp;E Offshore 2 requesting it to issue the number of S&amp;E Offshore 2 Class B Preference Shares as stated in such notice. Such notice can be served on S&amp;E Offshore 2 by any S&amp;E Offshore 2 Investor at any time beginning from the date falling on the 12<sup>th</sup> month after the S&amp;E Offshore 2 Issue Date and ending on the S&amp;E Offshore 2 Maturity Date.</p> <p>For the avoidance of doubt, the maximum number of S&amp;E Offshore 2 Second Tranche Preference Shares that each S&amp;E Offshore 2 Investor may subscribe for is stated under the column entitled “S&amp;E Offshore 2 Second Tranche Preference Shares” in Schedule A-2 hereto.</p> <p><u>S&amp;E Offshore 2 Third Tranche</u></p> <p>S&amp;E Offshore 2 shall complete the issuance of the S&amp;E Offshore 2 Third Tranche Preference Shares upon the provision of a notice from any S&amp;E Offshore 2 Investor at its sole option to S&amp;E Offshore 2 requesting it to issue the number of S&amp;E Offshore 2 Class B Preference Shares as stated in such notice. Such notice can be served on S&amp;E Offshore 2 by any S&amp;E Offshore 2 Investor at any time beginning from the date falling on the 24<sup>th</sup> month after the S&amp;E Offshore 2 Issue Date and ending on the S&amp;E Offshore 2 Maturity Date.</p> <p>For the avoidance of doubt, the maximum number of S&amp;E Offshore 2 Third Tranche Preference Shares that each S&amp;E Offshore 2 Investor may subscribe for is stated under the column entitled “S&amp;E Offshore 2 Third Tranche Preference Shares” in Schedule A-2 hereto.</p>
<p><b>Conditions Subsequent</b></p>	<p>S&amp;E Offshore 2 shall use its best endeavours to fulfil the following conditions subsequent to the completion of the subscription of the S&amp;E Offshore 2 First Tranche Preference Shares that, amongst others:</p> <ul style="list-style-type: none"> <li>(a) all the conditions precedent under the Rig SPA 2 are fulfilled;</li> <li>(b) the acquisition of the Rig 2 is completed no later than 29 September 2014 (or such later date as the S&amp;E Offshore 2 Investors may agree);</li> <li>(c) the S&amp;E Offshore 2 Investors being granted a second ranking vessel mortgage over the Rig 2 (with a legal opinion to be issued by the Rig SPV 2’s lawyers addressed to the S&amp;E Offshore 2 Investors confirming the valid creation of such mortgage, its legality and validity and the proper registration of charge within seven days from the date of completion of the subscription of the S&amp;E Offshore 2 First Tranche Preference Shares (“<b>S&amp;E Offshore 2 Completion Date</b>”); and</li> <li>(d) provision of a copy of the insurance policy showing full comprehensive marine insurance coverage on the Rig 2.</li> </ul>
<p><b>Long-Stop</b></p>	<p>31 December 2014 or such later date to be mutually agreed between the</p>



<p><b>Date</b></p>	<p>parties (the “<b>S&amp;E Offshore 2 Long-Stop Date</b>”).</p> <p>Notwithstanding anything to the contrary in the S&amp;E Offshore 2 Letter Agreement, in the event of the non-fulfilment of condition subsequent item (b) in the section entitled “Conditions Subsequent” by the S&amp;E Offshore 2 Long-Stop Date, the sole obligation of S&amp;E Offshore 2 is to redeem all outstanding S&amp;E Offshore 2 Preference Shares at the S&amp;E Offshore 2 Issue Price plus a redemption premium of 7% per annum on the S&amp;E Offshore 2 Issue Price from the S&amp;E Offshore 2 Completion Date to the date of payment of the redemption price to the respective S&amp;E Offshore 2 Investors (the “<b>S&amp;E Offshore 2 Long-stop Redemption Event</b>”).</p>
<p><b>Closing Items / Post-closing Covenants</b></p>	<p>For so long as the Company or S&amp;E Offshore 2 remains an indirect shareholder of JCE 2 and the Rig SPV 2:</p> <p>(a) S&amp;E shall utilise its industry contacts to assist the Rig SPV 2 in procuring a bareboat charter with a daily rate not lower than the existing bareboat charter rate;</p> <p>(b) the Company will provide a corporate guarantee to the S&amp;E Offshore 2 Bank in relation to the S&amp;E Offshore 2 Bank Financing;</p> <p>(c) the Company will provide a corporate guarantee to the S&amp;E Offshore 2 Investors to guarantee the payment of the monies payable by S&amp;E Offshore 2 to the S&amp;E Offshore 2 Investors for the redemption of the outstanding S&amp;E Offshore 2 Preference Shares upon the S&amp;E Offshore 2 Maturity Redemption Event, the S&amp;E Offshore 2 Liquidation Event or the S&amp;E Offshore 2 Long-Stop Redemption Event; and</p> <p>(d) The S&amp;E Offshore 2 Parties agree that the S&amp;E Offshore 2 Investors shall not be required to inject further capital in the form of equity/ or shareholders’ loans to JCE 2 for working capital purposes upon completion of the S&amp;E Offshore 2 Proposed Transaction,</p> <p>Provided always that the obligations under this clause shall cease and determine immediately upon the S&amp;E Offshore 2 Mandatory Transfer.</p>

## PREFERENCE SHARES

The Exchange Price of S\$0.8732 represents a discount of approximately 10% to S\$0.9702, which is the volume weighted average price of the shares of the Company (the “**Shares**”) in respect of trades done on the SGX-ST on 5 August 2014, being the full market day on which the Letter Agreements were signed.

The Company will be obliged to issue a maximum number of 62,708,778 Swissco Shares in the event that: (a) 18,375,000 S&E Offshore Class A Preference Shares have been issued by S&E Offshore pursuant to the S&E Offshore Letter Agreement, all of which are exchanged into 26,217,834 Swissco Shares; (b) 18,375,000 S&E Offshore 2 Class A Preference Shares have been

issued by S&E Offshore 2 pursuant to the S&E Offshore 2 Letter Agreement, all of which are exchanged into 26,217,834 Swissco Shares; (c) the S&E Offshore Investors subscribe for their full entitlement under the S&E Offshore Second Tranche and the S&E Offshore Third Tranche, and S&E Offshore issues 3,600,000 S&E Offshore Class B Preference Shares pursuant to the S&E Offshore Second Tranche and the S&E Offshore Third Tranche, all of which are exchanged into 5,136,555 Swissco Shares; and (d) the S&E Offshore 2 Investors subscribe for their full entitlement under the S&E Offshore 2 Second Tranche and the S&E Offshore 2 Third Tranche, and S&E Offshore 2 issues 3,600,000 S&E Offshore 2 Class B Preference Shares pursuant to the S&E Offshore 2 Second Tranche and the S&E Offshore 2 Third Tranche, all of which are exchanged into 5,136,555 Swissco Shares (the “**Maximum Exchange Scenario**”).

Under the Maximum Exchange Scenario, the 62,708,778 Swissco Shares when issued, represent approximately 9.35% of the issued share capital of the Company as at the date of this announcement, and will represent approximately 8.55% of the enlarged issued share capital of the Company after the issue of the 62,708,778 Swissco Shares.

The Company will be obliged to issue a minimum number of 52,435,668 Swissco Shares in the event that: (a) 18,375,000 S&E Offshore Class A Preference Shares have been issued by S&E Offshore pursuant to the S&E Offshore Letter Agreement, all of which are exchanged into 26,217,834 Swissco Shares; (b) 18,375,000 S&E Offshore 2 Class A Preference Shares have been issued by S&E Offshore 2 pursuant to the S&E Offshore 2 Letter Agreement, all of which are exchanged into 26,217,834 Swissco Shares; (c) the S&E Offshore Investors do not subscribe for any S&E Offshore Class B Preference Shares pursuant to the S&E Offshore Second Tranche and the S&E Offshore Third Tranche; and (d) the S&E Offshore 2 Investors do not subscribe for any S&E Offshore 2 Class B Preference Shares pursuant to the S&E Offshore 2 Second Tranche and the S&E Offshore 2 Third Tranche (the “**Minimum Exchange Scenario**”).

Under the Minimum Exchange Scenario, the 52,435,668 Swissco Shares when issued, represent approximately 7.81% of the issued share capital of the Company as at the date of this announcement, and will represent approximately 7.25% of the enlarged issued share capital of the Company after the issue of the 52,435,668 Swissco Shares.

The Swissco Shares, when issued by the Company, will rank *pari passu* in all respects with and carry all rights similar to the then existing ordinary shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the relevant date of issue of such Swissco Shares.

Please refer to Schedule B of this announcement for a table illustrating the shareholdings in the Company after completion of the Proposed Transactions.

### **3. USE OF PROCEEDS**

The net proceeds from the Proposed Transactions, after deducting commission and related expenses, is estimated to be approximately US\$42.847 million (equivalent to approximately S\$53.383 million). The net proceeds from the S&E Offshore First Tranche is intended to be used for financing the acquisition of the Rig 1, and the net proceeds from the S&E Offshore Second Tranche and the S&E Offshore Third Tranche shall be used for the general working capital purposes of S&E Offshore, and the net proceeds from the S&E Offshore 2 First Tranche is intended to be used for financing the acquisition of the Rig 2, and the net proceeds from the S&E

Offshore 2 Second Tranche and the S&E Offshore 2 Third Tranche shall be used for the general working capital purposes of S&E Offshore 2.

Pending the deployment of the net proceeds, such proceeds may be placed as deposits with financial institutions in short term money markets or debt instruments or for any other purposes on a short term basis as the directors of the Company (the “**Directors**”) may, in their absolute discretion, deem fit.

#### 4. **FINANCIAL EFFECTS**

The Group completed its acquisition of Scott and English Energy Pte Ltd on 30 July and based on its pro forma consolidated financial statements of the Group for the financial year ended 31 December 2013, and assuming that the Group raises net proceeds of approximately US\$42.847 million (equivalent to approximately S\$53.383 million) from the issue of 43,950,000 Preference Shares, which are then exchanged into 62,708,778 Swissco Shares under the Maximum Exchange Scenario, the effect on the Group’s net tangible assets (“**NTA**”) per Share and earnings per Share (“**EPS**”) will be as follows:

##### Net Tangible Assets

	31 December 2013 (Audited) <sup>(1)</sup>	31 December 2013 (Unaudited pro forma) <sup>(2)</sup>	Before issue of Preference Shares	After issue of Preference Shares	After exchange into Swissco Shares
NTA (S\$’000)	139,826	221,932	221,932	275,315	275,315
Number of Shares	435,373,565	671,030,204	671,030,204	671,030,204	733,738,982
NTA per Share (cents)	32.12	33.07	33.07	41.03	37.52

##### Impact on Earnings per Share

	31 December 2013 (Audited) <sup>(1)</sup>	31 December 2013 (Unaudited pro forma) <sup>(2)</sup>	Before issue of Preference Shares	After issue of preference shares	After exchange into Swissco Shares
Net profit after tax (S\$’000)	23,189	39,432	39,432	39,432	39,432
Weighted average	434,231,035	669,496,518	669,496,518	669,496,518	732,205,296
EPS (cents)	5.34	5.89	5.89	5.89	5.39

(1) Figures based on latest audited consolidated financial statements of the Group for the year ended 31 December 2013.

(2) Swissco Holdings Limited completed its acquisition of Scott and English Pte Ltd on 30 July 2014. Pro forma financial statements prepared were based on the assumption that the acquisition had taken place on 1 January 2013.

The foregoing pro forma financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company or the Group upon the issue of the Preference Shares and the exchange into Swissco Shares.

## **5. THE INVESTORS**

Information on the Investors is set out below:

### **Evia Growth Opportunities III Ltd**

Evia Growth Opportunities III Ltd is private equity investment companies incorporated in Singapore and managed by Evia Capital Partners Pte Ltd on a full discretionary basis. The shareholders of the Evia Growth Opportunities III Ltd comprise mainly local and foreign high net worth individual investors and corporate investors.

### **Venstar Investments II Ltd and Venstar Investments III Ltd**

Venstar Investments II Ltd and Venstar Investments III Ltd are Singapore-incorporated private equity funds managed by Venstar Capital Management Pte Ltd. Venstar Investments II Ltd and Venstar Investments III Ltd seek medium to long term private equity investments in the Asia-Pacific region, with a focus on Southeast Asia and North Asia.

### **UVM 2 Venture Investments LP, acting through its general partner UOB Bioventures Management Pte Ltd**

UVM 2 Venture Investments LP is a private equity fund established in Singapore, and managed by UOB Venture Management Private Limited (“**UOBVM**”). UOBVM is a wholly owned subsidiary of United Overseas Bank (UOB) Limited. UVM 2 focuses on growth-oriented companies mainly in Singapore.

### **3VS1 Asia Growth Fund 2 Ltd**

3VS1 Asia Growth Fund 2 Ltd is an Asian private equity investment fund incorporated in Singapore and managed by 3V SourceOne Capital Pte Ltd, a fund management company which focuses on growth to late-stage companies with Asian link or growth strategy. The fund has extensive deal experience in Southeast Asia, Greater China and the United States of America, with team members of diverse backgrounds in private equity, banking and finance, sales and marketing, consulting and manufacturing.

### **WPC Corporation Pte Ltd**

WPC Corporation Pte Ltd is an investment holdings company. The company provides interior design consultancy services, and owns and invests in commercial properties in Singapore.

### **Griffin Prive Fund SPC for and on behalf of Garnet Segregated Portfolio**

Griffin Prive Fund SPC (“**Griffin**”) is an exempted company incorporated on 5 June 2013 and is registered as a segregated portfolio company with the Registrar of Companies of the Cayman Islands. Garnet Segregated Portfolio is a segregated portfolio of Griffin Prive Fund SPC and seeks to achieve high risk-adjusted returns from investments in various instruments including but not limited to equities, debt and mezzanine instruments. The fund manager of Griffin is Accion Capital Management Pte Ltd, a registered fund manager company based in Singapore.

### **Chong Chin Cheong**

He is the managing director of Sunesis Holdings Pte. Ltd., a company incorporated in Singapore, whose principal activity is to provide business and management consultancy services to business enterprises. Mr. Chong is also an experienced private equity investor and has invested in a wide spectrum of companies ranging from biomedical device companies, drug development start-ups to larger private enterprises at expansion phase.

### **Goh Lam Wee**

A former director of a Singapore incorporated holding company that provides medical services. Madam Goh is currently retired and a private equity investor. Madam Goh is the mother-in-law of Chong Chin Cheong.

The Investors were introduced to the Group by Sunesis Holdings Pte Ltd (the “**Introducer**”), a company incorporated in Singapore. Its principal activity is to provide business and management consultancy services to business enterprises. In view of the services provided by the Introducer in relation to the Proposed Transactions, the Company will pay the Introducer approximately US\$1.103 million (equivalent to approximately S\$1.374 million) in cash.

None of the Investors are restricted persons under Rule 812 of the Listing Manual of the SGX-ST.

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company have any direct or indirect interest in the proposed issue of the Preference Shares (other than through their respective shareholdings).

## **7. SHAREHOLDERS’ APPROVAL**

The Company will be seeking shareholders’ approval at an extraordinary general meeting of the Company to be convened for the approval of the Proposed Transactions. A circular to shareholders containing information relating to the Proposed Transactions will be despatched to shareholders in due course.

## **8. APPLICATION TO THE SGX-ST**

The Company will be submitting an application to the SGX-ST for the listing and quotation of the 62,708,778 Swissco Shares. The Company will make the necessary announcements once the approval in-principle for the listing and quotation of the 62,708,778 Swissco Shares has been obtained from the SGX-ST.

**9. TRADING CAUTION**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Transactions are subject to numerous conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Transactions 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  
**SWISSCO HOLDINGS LIMITED**

Tan Ching Chek  
Company Secretary  
7 August 2014

**Schedule A-1**

Name of S&E Offshore Investor	S&E Offshore First Tranche Preference Shares		S&E Offshore Second Tranche Preference Shares		S&E Offshore Third Tranche Preference Shares		Aggregate number of S&E Offshore Preference Shares	
	Investment Amount for S&E Offshore First Tranche (US\$)	Number of S&E Offshore Class A Preference Shares	Investment Amount for S&E Offshore Second Tranche (US\$)	Number of S&E Offshore Class B Preference Shares	Investment Amount for S&E Offshore Third Tranche (US\$)	Number of S&E Offshore Class B Preference Shares	Total Investment Amount (US\$)	Total number of S&E Offshore Preference Shares
UVM 2 Venture Investments LP, acting through its general partner UOB Bioventures Management Pte Ltd	US\$5,000,000	5,000,000	Up to US\$653,061	Up to 653,061	Up to US\$326,531	Up to 326,531	Up to US\$5,979,592	Up to 5,979,592
Evia Growth Opportunities III Ltd	US\$4,000,000	4,000,000	Up to US\$522,449	Up to 522,449	Up to US\$261,224	Up to 261,224	Up to US\$4,783,673	Up to 4,783,673
Venstar Investments II Ltd	US\$8,000,000	8,000,000	Up to US\$1,044,898	Up to 1,044,898	Up to US\$522,449	Up to 522,449	Up to US\$9,567,347	Up to 9,567,347
Goh Lam Wee	US\$1,000,000	1,000,000	Up to US\$130,612	Up to 130,612	Up to US\$65,306	Up to 65,306	Up to US\$1,195,918	Up to 1,195,918
Chong Chin Cheong	US\$375,000	375,000	Up to US\$48,980	Up to 48,980	Up to US\$24,490	Up to 24,490	Up to US\$448,470	Up to 448,470

**Schedule A-2**

Name of S&E Offshore 2 Investor	S&E Offshore 2 First Tranche Preference Shares		S&E Offshore 2 Second Tranche Preference Shares		S&E Offshore 2 Third Tranche Preference Shares		Aggregate number of S&E Offshore 2 Preference Shares	
	Investment Amount for S&E Offshore 2 First Tranche (US\$)	Number of S&E Offshore 2 Class A Preference Shares	Investment Amount for S&E Offshore 2 Second Tranche (US\$)	Number of S&E Offshore 2 Class B Preference Shares	Investment Amount for S&E Offshore 2 Third Tranche (US\$)	Number of S&E Offshore 2 Class B Preference Shares	Total Investment Amount (US\$)	Total number of S&E Offshore 2 Preference Shares
UVM 2 Venture Investments LP, acting through its general partner UOB Bioventures Management Pte Ltd	US\$5,000,000	5,000,000	Up to US\$653,061	Up to 653,061	Up to US\$326,531	Up to 326,531	Up to US\$5,979,592	Up to 5,979,592
Evia Growth Opportunities III Ltd	US\$2,000,000	2,000,000	Up to US\$261,225	Up to 261,225	Up to US\$130,613	Up to 130,613	Up to US\$2,391,838	Up to 2,391,838
Venstar Investments II Ltd	US\$3,000,000	3,000,000	Up to US\$391,837	Up to 391,837	Up to US\$195,918	Up to 195,918	Up to US\$3,587,755	Up to 3,587,755
Venstar Investments III Ltd	US\$3,000,000	3,000,000	Up to US\$391,837	Up to 391,837	Up to US\$195,918	Up to 195,918	Up to US\$3,587,755	Up to 3,587,755
3VS1 Asia Growth Fund 2 Ltd	US\$3,375,000	3,375,000	Up to US\$440,816	Up to 440,816	Up to US\$220,408	Up to 220,408	Up to US\$4,036,224	Up to 4,036,224
Griffin Prive Fund SPC for and on behalf of Garnet Segregated	US\$1,000,000	1,000,000	Up to US\$130,612	Up to 130,612	Up to US\$65,306	Up to 65,306	Up to US\$1,195,918	Up to 1,195,918



Portfolio								
WPC Corporation Pte. Ltd	US\$1,000,000	1,000,000	Up to US\$130,612	Up to 130,612	Up to US\$65,306	Up to 65,306	Up to US\$1,195,918	Up to 1,195,918

**Schedule B**

	Existing Share Capital <sup>(1)</sup>		Minimum Exchange Scenario <sup>(1)</sup>		Maximum Exchange Scenario <sup>(1)</sup>	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Existing Shareholders	671,030,204	100	671,030,204	92.8	671,030,204	91.5
UVM 2 Venture Investments LP, acting through its general partner UOB Bioventures Management Pte Ltd	-	0	14,268,208	2.0	17,063,612	2.3
Evia Growth Opportunities III Ltd	-	0	8,560,926	1.2	10,238,169	1.4
Venstar Investments II Ltd	-	0	15,695,030	2.2	18,769,974	2.6
Goh Lam Wee	-	0	1,426,821	0.2	1,706,361	0.2
Chong Chin Cheong	-	0	535,058	0.1	639,887	0.1
Venstar Investments III Ltd	-	0	4,280,463	0.6	5,119,084	0.7
3VS1 Asia Growth Fund 2 Ltd	-	0	4,815,520	0.7	5,758,969	0.8
Griffin Prive Fund SPC for and on behalf of Garnet Segregated Portfolio	-	0	1,426,821	0.2	1,706,361	0.2
WPC Corporation Pte. Ltd	-	0	1,426,821	0.2	1,706,361	0.2
<b>Total number of issued Shares<sup>(1)</sup></b>	<b>671,030,204</b>	<b>100</b>	<b>723,465,872</b>	<b>100.00*</b>	<b>733,738,982</b>	<b>100.00*</b>
Total number of Swiseco Shares	-	-	52,435,668	7.25%	62,708,778	8.55

*\* Any discrepancies in the totals thereof are due to rounding.*

(1) Excluding treasury shares.