

EMAS OFFSHORE LIMITED: NON BINDING LETTER OF INTENT FOR POTENTIAL SALE OF SHARES IN PV KEEZ PTE. LTD.

The Company's admission to and listing on the SGX-ST is sponsored by DBS Bank Ltd.

1. The transaction, the background and the parties

EMAS Offshore Production Service (Vietnam) Pte. Ltd ("EOPS"), a fully owned subsidiary of EMAS Offshore Limited ("EMAS"), had on 14 April 2016 accepted a non-binding letter of intent (the "LOI") to sell its 41.7 % equity share in PV Keez Pte Ltd ("PV Keez") to an international energy infrastructure fund (the "Fund"). PV Keez offers floating production, storage and offloading and related services and is based in Singapore. The Fund is a global infrastructure investment firm exclusively focused on energy. PV Keez owns the FPSO *Lewek EMAS*, which is chartered to Premier Oil Vietnam Offshore BV ("POVO") as operator of the Chim Sao field offshore southern Vietnam.

The aforementioned transaction is part of a larger contemplated transaction whereby Ezra Holdings Limited ("Ezra") may also sell its ownership in PV Keez of at least 36.7 % to the Fund (together the 'Transaction'). Ezra is the holding company of EMAS, controlling 76.19 % of the issued shares in EMAS.

Subject to the entry into formal and binding agreements, it is contemplated that closing of the Transaction will be subject to several conditions, including but not limited to (i) the satisfactory completion of due diligence by the Fund; (ii) an agreement on the provision of an indemnity by Ezra and EOPS to the Fund and (iii) other customary conditions and approvals for a transaction of this nature.

2. Transaction Consideration

It is contemplated that the consideration for the Transaction will be agreed upon on a willing buyer-willing seller basis, and is to be based on the balance sheet of PV Keez and with reference to the book value of PV Keez as at 31 December 2015 (the "Effective Date") and assumes a Locked-Box mechanism between the Effective Date and the closing of the Transaction which is expected to take place no later than 30 June 2016 ("Closing").

The Fund will conduct financial due diligence on the Effective Date balance sheet and lock-box period and retains the right to make adjustments to the purchase price based on potential due diligence findings.

It is contemplated that at Closing, each of EOPS and Ezra will transfer their respective shareholdings in PV Keez to the Fund for an aggregate consideration that is expected to be satisfied by a combination of cash and a seller's credit.

3. Additional information about PV Keez

PV Keez is a single purpose company which owns the Lewek EMAS FPSO (the "Vessel"). The Vessel is EMAS Production's largest FPSO vessel. The Vessel is currently on a charter contract operating on Vietnam's Chim Sao oil project with Premier Oil Vietnam Offshore B.V.

The board directors of PV Keez are:

- Lai Kai Jin – Chairman
- Chia Hock Chye, Michael – Board Member
- Pham Viet Anh – Board Member
- The top senior management are Joseph Azran Alemberg, Chief Projects Officer.

The key financial numbers are (all numbers in MUSD):

Year	Revenue	Profit	Assets	Debt
2013	75.4	5.4	421.0	240.2
2014	97.7	17.6	396.7	200.5
2015	84.6	12.7	384.0	177.3

4. The transaction's significance for EMAS

The Transaction is consistent with EMAS' strategy of moving away from the ownership of FPSO assets and instead to leverage on the experience in FPSO conversion to provide value-added services to third parties. The Transaction will also enable EMAS to strengthen its financial position and refocus the company's business in the offshore support sector during the current challenging times in the oil and gas sector.

5. Agreements with senior management or board of directors

There are no agreements entered into, or that are planned to be entered into, in connection with the Transaction for the benefit of senior employees or members of the board of directors of EMAS and Ezra or for the senior employees or board of directors of PV Keez.

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EMAS is dual listed on the Oslo Stock Exchange and the Singapore Stock Exchange, with the former as its primary listing place.

Further announcements will be made as and when there are further developments in this respect or as required by relevant laws, regulations and guidelines.

For additional information, please contact:

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